

Audit and Corporate Governance Committee Report



Report of Audit Manager

Author: Adrianna Penn

Tel: 01491 823544 (SODC)

Tel: 01235 547615 (VWHDC)

E-mail: adrianna.penn@southoxon.gov.uk

E-mail: adrianna.penn@whitehorsedc.gov.uk

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AGENDA ITEM NO 6

Internal Audit Management Report Quarter 2 2008/2009

Purpose of Report

1. The purpose of this report is:
 - to report on management issues
 - to summarise the progress of internal audit against the 2008/2009 audit plan up to the 14th September 2008.
 - to summarise the priorities and planned audit work for quarter 3 2008/2009.
2. The Committee is asked to note the report.

Background

3. The CIPFA Code of Practice for Internal Audit in Local Government in the UK 2006 states that the Head of Internal Audit should prepare a risk-based audit plan, which should outline the assignments to be carried out and the broad resources required to deliver the plan.

4. The CIPFA Code also states that the Audit Committee should approve the annual Internal Audit Plan and monitor progress against the plan. This Committee approved the annual Internal Audit Plan on the 5th March 2008.

Management Issues

5. Internal Audit has been asked to complete a number of unplanned audits and provide consultancy advice (referred to in Appendix), which is an encouraging indication that the profile of the section has improved. Due to the strong progress Internal Audit is making with the planned audit schedule, these requests can be included without placing any pressure on the section's ability to complete the agreed programme of work by the year-end.
6. To assist in completing the 2007/2008 NNDR review and plan for the 2008/2009 review, two members of the section visited Capita's Bromley site in August. Whilst on-site, Internal Audit was also able to undertake some testing for the Audit Commission to assist them in their review. Communication and co-operation between Internal Audit and the Audit Commission remains strong, which will lead to further efficiencies.
7. The Audit Manager has not been able to complete the CIPFA self-assessment in time to present the improvement action plan to Committee, but this will be presented at the next meeting.

Progress against the 2008/2009 Audit Plan

8. Progress against the approved audit plan has been calculated for the quarter up to the 14th September 2008 and year to date and is summarised in **Appendix 1** attached.
9. Performance figures are as follows:

	Target	YTD	Q1	Q2	Q3	Q4
Chargeable	71.5%	66%	66.5%	66%	-	-
Non-Chargeable	10%	15%	14.5%	15%	-	-
Lost	18.5%	19%	19%	19%	-	-

10. Excellent progress is being made with the agreed planned audit work, despite anticipated delays in completing audits due to the summer period. The section continues to focus on its level of chargeable work, and is confident the targets can be achieved at the year-end.
11. As at the 14th September 2008, the status of audit work is as follows:

	Planned	Complete	Draft	In progress	To commence
PLANNED	50	10	6	8	26
Joint	35	5	2	6	22
SODC	7	3	0	1	3
VWHDC	8	4	2	1	1
ADHOC	4	1	1	0	2
Joint	0	0	0	0	0
SODC	4	1	1	0	2
VWHDC	0	0	0	0	0
FOLLOW - UP	57	10	0	0	47
Joint	15	0	0	0	15
SODC	20	1	0	0	19
VWHDC	22	9	0	0	13

Priorities for 2008/2009 Quarter 3 (October 2008 – December 2008)

12. The priority for quarter 3 is:

- to complete a self-assessment of the section against the CIPFA requirements and draft an improvement action plan;
- to draft an internal audit strategy in accordance with CIPFA;
- to complete a money laundering training programme.

13. Planned audit work which is currently ongoing and has been scheduled for quarter 3 is as follows:

Joint Audits	SODC Audits	VWHDC Audits
Academy Agresso Anti-Fraud and Corruption Policy Brown Bins Capital Accounting Contract Monitoring Council Charges Council Tax Creditor Payments Emergency Planning Freedom of Information General Ledger GIS Housing and Council Tax Benefits ICT NNDR Payroll	Car Park Income Pest Control	DSO Petty Cash Procedures Post Room Rent Accounting Tender Process

Joint Audits	SODC Audits	VWHDC Audits
Receipt of Income Arrangements Stock Control Sundry Debtors Treasury Management		

14. Follow-up work which is scheduled for quarter 3 is as follows:

Joint Audits	SODC Audits	VWHDC Audits
-	Cleansing Service 07/08 Dog Control 07/08 Waste Management 07/08	Concessionary Fares 07/08 Elections 07/08 Homelessness & Temporary Accommodation 07/08 LSP 07/08 White Horse Leisure & Tennis Centre 07/08

PLANNED AUDITS 2008/2009

APPENDIX 1

System Name As at 14 th September 2008	Status	Audit Allocation	Total Days Used	Exception Issues	Audit Opinion	No. of Recs	High	No. Agreed	Medium	No. Agreed	Low	No. Agreed	Total Not Agreed
JOINT													
Academy SODC VWHDC	Outstanding Q3	20											
Agresso SODC VWHDC	Outstanding Q3	20											
Anti-Fraud and Corruption Policy SODC VWHDC	In Progress	20											
Brown Bin Scheme SODC VWHDC	Draft Out Draft Out	20	20.5										
Budgetary Control SODC VWHDC	Outstanding Q4	20											
Capital Accounting SODC VWHDC	TOR Sent	20											
Consultation (Public and Staff) SODC VWHDC	Completed	20	11		Limited Limited	17 17	5 5	5 5	10 10	10 10	2 2	2 2	0 0
Contract Monitoring SODC VWHDC	TOR Sent	20											
Corporate Governance SODC VWHDC	Outstanding Q4	20											
Council Charges SODC VWHDC	TOR Sent	20											
Council Tax SODC VWHDC	Outstanding Q3	20											
Creditor Payments SODC VWHDC	In Progress	20											
Disaster Recovery SODC VWHDC	Outstanding Q4	20											

Emergency Planning SODC VWHDC	Outstanding Q3	20												
Freedom of Information SODC VWHDC	Outstanding Q3	20												
General Ledger SODC VWHDC	TOR Sent	20												
Gifts and Hospitality SODC VWHDC	Completed	10	8			Satisfactory Satisfactory	11 7	0 0	N/A N/A	6 3	6 3	5 4	4 4	1 0
GIS SODC VWHDC	Outstanding Q3	10												
Housing & Council Tax Benefits SODC VWHDC	TOR Sent	20												
Human Resources SODC VWHDC	Outstanding Q4	20												
ICT SODC VWHDC	Outstanding Q3	20												
Internal Recharges SODC VWHDC	Outstanding Q4	20												
NNDR SODC VWHDC	TOR Sent	20												
Out of Hours Arrangements SODC VWHDC	Completed	20	18			Satisfactory Satisfactory	7 10	0 0	N/A N/A	1 4	1 4	6 6	6 6	0 0
Payroll SODC VWHDC	Postponed Q3	20												
Petty Cash Procedures SODC VWHDC	Completed Draft Out	10	13.5			Satisfactory	12	0	N/A	8	8	4	4	0
Petty Cash Spot Checks SODC VWHDC	Completed	6	5.5			Full Full	0 0	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Performance Management SODC VWHDC	Outstanding Q4	16												
Post Room SODC VWHDC	Outstanding Q4 TOR Sent	20												
Receipt of Income Arrangements SODC VWHDC	In Progress	20												

Risk Management SODC VWHDC	In Progress	20												
	Completed		4		Limited	13	4	4	7	7	2	2	0	
SOLL Leisure SODC VWHDC	Completed	20	27	Difficulties in verifying SOLL information. Issues with format of Mazars' files and reports.	Satisfactory	5	0	N/A	3	3	2	2	0	
					Satisfactory	7	0	N/A	5	5	2	2	0	
Stock Control SODC VWHDC	In Progress	20												
Sundry Debtors SODC VWHDC	Outstanding Q2	20												
Treasury Management SODC VWHDC	In Progress	20												
SODC														
Car Park Income	In Progress	10												
Complaints Process	Completed	10	4		Satisfactory	11	0	N/A	6	6	5	3	2	
Concessionary Fares	Completed	10	8.5		Satisfactory	3	0	N/A	1	1	2	2	0	
Didcot Arts Centre	Outstanding Q4	15												
Licensing	Completed	10	8.5		Limited	20	3	3	14	14	3	3	0	
Pest Control	Outstanding Q3	10												
Tourism (Marketing Contract)	Outstanding Q4	10												
VWHDC														
Bar Management	Completed	10	9		Satisfactory	6	0	N/A	2	2	4	4	0	
Business Continuity Planning	Completed	10	8		Satisfactory	10	1	1	6	6	3	3	0	
DSO	In Progress	8												
Gazatteer Unit	Completed	7	9		Satisfactory	7	0	N/A	3	3	4	4	0	
Guildhall	Completed	10	8		Satisfactory	10	0	N/A	4	3	6	6	1	
Oxfordshire Waste Partnership	Outstanding Q3	10												
Rent Accounting	Draft Out	10	9											
Tender Process	Draft Out	10	14.5	New Auditor										
TOTALS	-	812	186			173	18	18	93	92	62	59	4	
					Full	2								
					Satisfactory	13								
					Limited	4								
					Nil	0								

FOLLOW UP AUDITS 2007/2008

System Name	Total Days Used	Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
SODC							
Building Control	0.5	Satisfactory	3	1	2	0	0
VWHDC							
Refuse Collection and Street Cleansing	1	Satisfactory	8	3	2	3	0
Recycling	1.5	Satisfactory	12	5	3	4	0
Excess Charges	0.5	Good (now Full)	2	2	0	0	0
Health and Safety	2	Satisfactory	17	10	5	2	0
Insurance	1	Satisfactory	5	1	0	4	0
Cash	1	Satisfactory	23 (14 review in 08/09 work, 9 followed up)	7	0	2	0
SOLL Leisure	0.5	Satisfactory	6	6	0	0	0
Environmental Protection	0.5	Good (now Full)	4	3	1	0	0
Benefit Counter-Fraud	1	Satisfactory	4	2	0	1	1
TOTALS	9.5		70	40	13	16	1

FOLLOW UP AUDITS 2008/2009

System Name	Total Days Used	Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
SODC							
-	-	-	-	-	-	-	-
VWHDC							
-	-	-	-	-	-	-	-
TOTALS							

UNPLANNED WORK 2008/2009

CONSULTANCY

System Name	Status	Audit Allocation	Total Days Used	Requested By
JOINT				
None	-	-	-	-
SODC				
Focus Group Cash Payments	In Progress	3	-	Chief Executive
S106 Commuted Sums	To Commence	TBC	-	Strategic Directors
VWHDC				
None	-	-	-	-

CONTINGENCY

System Name	Status	Audit Allocation	Total Days Used	Requested By
JOINT				
None	-	-	-	-
SODC				
Investigation 1	Completed	10	15	Chief Executive
VWHDC				
None	-	-	-	-

SYSTEM DEVELOPMENT

System Name	Status	Audit Allocation	Total Days Used	Requested By
JOINT				
None	-	-	-	-
SODC				
Fit for the Future	To Commence	TBC	-	Head of BIS
VWHDC				
None	-	-	-	-

