

Audit and Corporate Governance Committee Report



Listening Learning Leading

Report of Audit Manager

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To: Audit and Corporate Governance Committee

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AGENDA ITEM NO 5

Internal Audit Management Report Quarter 2 2009/2010

Purpose of Report

1. The purpose of this report is:
 - to report on management issues
 - to summarise the progress of internal audit against the 2009/2010 audit plan up to the 18 September 2009.
 - to summarise the priorities and planned audit work for quarter 3 2009/2010.
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.

- 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 25 March 2009.

Management Issues

- An Auditor vacancy is now being carried at VWHDC, and there is potential for this to be carried to the end of the financial year. Planned audit work has been prioritised and reallocated to members of the team on this basis, and this has identified the potential for 4 planned audits not to be completed at the year-end. If a significant amount of investigation/consultancy work is requested during the year, this number could increase.

Progress against the 2009/2010 Audit Plan

- Progress against the approved audit plan has been calculated for the quarter up to the 18 September 2009 and year to date and is summarised in **Appendix 2** attached.
- Performance figures are as follows:

	Target	YTD	Q1 09/10	Q2 09/10	Q3 09/10	Q4 09/10
Chargeable	71%	61%	66%	44.5%	-	-
Non-Chargeable	9.5%	11.5%	11%	13.5%	-	-
Lost	19.5%	27.5%	23%	42%	-	-

- Q2 and YTD figures reflect the summer holiday period. The dip in the performance figures was anticipated, and overall the Audit Manager has no concerns with the team's performance.
- As at the 18 September 2009, the status of audit work is as follows:

Planned

Strategic, operational and financial assurance work known and approved by the Audit and Governance Committee.

	Planned	Complete	Draft	In progress	To commence
PLANNED	38	9 (24%)	1 (3%)	7 (18%)	21 (55%)
Joint	25	3	1	5	16
SODC	7	3	0	1	3

VWHDC	6	3	0	1	2
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Adhoc

Unplanned project work based on agreed terms of reference with the Audit Manager (i.e. implementation of new systems) and responsive work issued and agreed by the S151 Officer, Members or Senior Management Team (i.e. investigations).

	Planned	Complete	Draft	In progress	To commence
ADHOC	5	4	0	1	0
Joint	1	0	0	1	0
SODC	1	1	0	0	0
VWHDC	3	3	0	0	0

Follow Up

Work undertaken to ensure that agreed recommendations have been implemented.

	Planned	Complete	Draft	In progress	To commence
FOLLOW - UP	48	5	0	2	41
SODC	24	1	0	1	22
VWHDC	24	4	0	1	19

Priorities for 2009/2010 Quarter 3 (October 2009 – December 2009)

10. The priority for quarter 3 is:

- To assist Legal and Democratic Services in preparing the Council's the anti-fraud and corruption policy and response plan and whistleblowing policy for approval.
- To draft the Council's money laundering policy.

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

Joint Audits	SODC Audits	VWHDC Audits
Bank Rec Process Design Brown Bins Capital Accounting	Cornerstone - Membership	Car Loans Corporate Administration

Joint Audits	SODC Audits	VWHDC Audits
Creditor Payments Facilities Management FFTF Implementation Review General Ledger Housing & Council Tax Benefits HR Grievance Procedures Information Governance NNDR Partnership Performance Monitoring Payroll Capita & Client Pro-Active Anti-Fraud Review S106 Commuted Sums Sundry Debtors Verification of BVPI's VFM in Procurement		

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

Joint Audits	SODC Audits	VWHDC Audits
Academy Consultation Contract Monitoring Corporate Governance Disaster Recovery Emergency Planning Freedom of Information GIS Human Resources Internal Recharges Petty Cash Procedures Performance Management Post Room Receipt of Income Arrangements Risk Management Stock Control	Car Park Income Focus Group Cash Payments Cornerstone Licensing Tourism (Marketing Contract)	SOLL Leisure Business Continuity

ADRIANNA PARTRIDGE
 AUDIT MANAGER

PROGRESS AGAINST AUDIT PLAN 2009/2010

APPENDIX 1

System Name	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
As at 18 September 2009													
JOINT													
Bank Reconciliation Process Design SODC VWHDC	In Progress Draft Out	20	9.5										
Brown Bin Scheme SODC VWHDC	To Commence	20											
Capital Accounting SODC VWHDC	To Commence	14											
Council Tax SODC VWHDC	To Commence	20											
Creditor Payments SODC VWHDC	TOR Sent	30											
Facilities Management SODC VWHDC	Draft Out In Progress	20	12										
Financial Systems Reconciliations SODC VWHDC	To Commence	24											
General Ledger SODC VWHDC	To Commence	20											
Housing & Council Tax Benefits SODC VWHDC	TOR Sent	30											
HR Grievance Procedure SODC VWHDC	To Commence	20											
Information Governance (Sensitive Data) SODC VWHDC	To Commence	30											
NDR SODC VWHDC	To Commence	20											
Partnership Performance Monitoring SODC VWHDC	Completed Draft Out	20	20		Satisfactory	7	0	N/A	4	4	3	2	1

System Name	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
As at 18 September 2009													
Payroll (Capita) SODC VWHDC	To Commence	20											
Payroll (Client) SODC VWHDC	To Commence	20											
Pro-Active Anti-Fraud Review SODC VWHDC	In Progress	30											
Project Management SODC VWHDC	To Commence	30											
Records Management SODC VWHDC	Completed	14	21	New Auditor's First Audit	Limited Limited	12 12	0 0	N/A N/A	9 7	6 7	3 5	2 5	4 0
Rent Accounting SODC VWHDC	N/A Completed	20	14.5	Covered in Temporary Acc. Review	N/A Satisfactory	N/A 12	N/A 0	N/A N/A	N/A 4	N/A 4	N/A 8	N/A 8	N/A 0
S106 Commuted Sums SODC VWHDC	In Progress	24											
Sundry Debtors SODC VWHDC	To Commence	30											
Treasury Management SODC VWHDC	To Commence	14											
Verification of Performance Indicator Calculations SODC VWHDC	TOR Sent	30											
VFM from CCTV Contract SODC VWHDC	Completed	14	14.5		Satisfactory Satisfactory	5 11	0 0	N/A N/A	1 3	1 3	4 8	4 8	0 0
VFM in Procurement SODC VWHDC	In Progress	24											
SODC													
Cornerstone – Couture Contract	Completed	10	11		Limited	17	2	2	8	8	7	7	0
Cornerstone – Emergency Planning, Disaster Recovery, Business Continuity Planning	To Commence	8											

System Name	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
As at 18 September 2009													
Cornerstone - Membership	In Progress	6											
Fit for The Future Implementation Review	To Commence	10											
Oxfordshire Waste Partnership	Completed	10	7.5		Satisfactory	5	0	N/A	2	2	3	3	0
Pest Control	To Commence	8											
Temporary Accommodation	Completed	10	10.5		Satisfactory	6	0	N/A	3	3	3	3	0
VWHDC													
Car Loans	To Commence	7											
Comments & Complaints Process	Completed	10	7		Satisfactory	8	0	N/A	4	4	4	4	0
Corporate Administration	In Progress	10											
DSO Accounting	Completed	15	13		Limited	15	9	9	6	6	0	N/A	0
Lone Working / Officer Security	Completed	10	10		Satisfactory	8	0	N/A	6	6	2	2	0
Stray Dogs Contract	To Commence	10											
TOTALS	-	682	150.5		Full Satisfactory Limited Nil	118	11	11	57	54	50	48	5

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							
Budgetary Control	0.5	Satisfactory	7	1	1	0	5
VWHDC							
Guildhall	0.5	Satisfactory	9	6	3	0	0

Budgetary Control	0.5	Satisfactory	4	2	2	0	0
Property Gazetteer	0.5	Satisfactory	7	6	0	1	0
Tender Process	0.5	Satisfactory	5	2	1	2	0
TOTALS	2.5		32	17	7	3	5

FOLLOW UP AUDITS 2009/2010

System Name	Total Days Used	Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
SODC							
None	-	-	-	-	-	-	-
VWHDC							
None	-	-	-	-	-	-	-
TOTALS							

UNPLANNED WORK 2009/2010

CONSULTANCY

System Name	Status	Audit Allocation	Total Days Used	Requested By
JOINT				
Facilities Management Comparison	In Progress	10	-	Head of Economy, Leisure and Property
SODC				
HCA Housing Growth Bid	Completed	1	1	Head of Economy, Leisure and Property
VWHDC				
OWP Auditing Authority – Year End	Completed	5	5.5	OWP Agreement

CONTINGENCY

System Name	Status	Audit Allocation	Total Days Used	Requested By
JOINT				
None	-	-	-	-
SODC				
None	-	-	-	-
VWHDC				
Statement of Accounts Investigation	Completed	4.5	4.5	Chief Executive
Cash Office	Completed	10	12	Section 151 Officer

SYSTEM DEVELOPMENT

System Name	Status	Audit Allocation	Total Days Used	Requested By
JOINT				
None	-	-	-	-
SODC				
None	-	-	-	-
VWHDC				
None	-	-	-	-