

Joint Audit and Governance Committee



Report of Assurance Manager

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To: Audit and Governance Committee

DATE: 23 January 2017

Internal audit management report quarter three 2016/2017

Recommendation

That members note the content of the report.

Purpose of report

1. The purpose of this report is:
 - to report on management issues within internal audit;
 - to summarise the progress against the 2016/2017 audit plan up to 11 January 2017; and
 - to summarise the priorities for quarter four 2016/2017.

2. The contact officer for this report is Adrianna Partridge, Assurance Manager for South Oxfordshire District Council and Vale of White Horse District Council, telephone 01235 422485.

Strategic objectives

3. Managing our business effectively.

Background

4. 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.
5. The CIPFA Code also states that the audit committee should approve the annual internal audit plan and monitor progress against the plan. The joint committee approved the 2016/2017 annual internal audit plan on 21 March 2016.

Management issues

6. 5 councils' partnership
Internal audit is now consulting on 5CP activity. A number of operational concerns have been identified as a result of this work i.e. control environment concerns with the payroll and HR transition. An internal 5CP programme board has been established to ensure strong SODC and VWHDC governance of the partnership. Membership of the programme board includes the chief executive, interim chief operating officer, section 151 officer, monitoring officer, SODC/VWHDC 5CP lead, communications and the assurance manager. A 5CP paper with further information will be presented at the next meeting.

The level of 5CP involvement is placing a strain on current internal audit resources. This is currently being reviewed and will be considered as part of the 2017/2018 audit plan process.

The internal audit approach across the 5CP has yet to be determined. It is anticipated that the relevant audit managers will shortly meet to agree an approach for the 2017/2018 audit year.

7. Emergency planning
The emergency planning resource provided by Oxfordshire County Council will cease at the end of January 2017. The risk and insurance officer will be temporarily covering the emergency planning duties until a successful recruitment process is completed.

Progress against the 2016/2017 audit plan

8. Progress against the approved audit plan has been calculated for the quarter and year to date and is summarised in **appendix 1** attached.

Performance figures to date are as follows:

	Target	YTD	Q1 15/16	Q2 15/16	Q3 15/16	Q4 15/16
Chargeable (identifiable client and/or specific IA deliverable)	74%	73.5%	72%	75.5%	69.5%	59%
Non-Chargeable (corporate, not IA deliverable)	8%	5%	7%	5%	3.5%	4%
Planned Lost (i.e. leave)	16%	18.5%	20%	18%	21%	17%
Unplanned Lost (i.e. study, sickness)	2%	3%	1 %	1.5%	6%	20%

9. As at 11 January 2017 the status of audit work against the 2016/2017 audit plan is as follows:

Planned

Strategic, operational and financial assurance work known and approved by the audit and governance committee.

2016/2017	Planned	Complete	Draft	In progress	To commence
PLANNED	28	11	2	7	8
Joint	25	10	2	7	6
SODC	3	1	0	0	2

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 section 151 officer, members or senior management team (i.e. investigations).

2016/2017	Requested	Complete	Draft	In progress	To commence
ADHOC	8	3	1	3	1
Joint	4	1	0	3	0
SODC	0	0	0	0	0
VWHDC	4	2	1	0	1

Follow up

Work undertaken to ensure that agreed recommendations have been implemented. The number of follow-up audits is a rolling number, all internal audit reports are followed up after six months unless the area is subject to an annual review.

2016/2017	Requested	Complete	Draft	In progress	To commence
FOLLOW-UP	25	15	0	5	5
Joint	15	5	0	5	5
SODC	5	5	0	0	0
VWHDC	5	5	0	0	0

Priorities for 2016/2017 quarter four (January 2017 – March 2017)

10. The priorities for quarter four are to:
- complete 2016/2017 audit plan;
 - confirm the internal audit arrangements across the 5CP for 2017/2018; and
 - identify and address any internal audit resource concerns.
11. Remaining 2016/2017 planned audit work can be reviewed in **appendix 2**.

Financial implications

12. There are no financial implications attached to this report.

Legal implications

13. None.

Risk implications

14. Identification of risk is an integral part of all audits.

ADRIANNA PARTRIDGE
ASSURANCE MANAGER