

Audit and Governance Committee



Report of Interim Audit Manager

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To: Audit and Governance Committee

DATE: 29 January 2018

Internal audit management report quarter three 2017/2018

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 2017/2018 audit plan up to 16 January 2018; and
 - to summarise the priorities for quarter four 2017/2018.

- The contact officer for this report is Sandy Bayley, Interim Audit Manager for South Oxfordshire District Council and Vale of White Horse District Council, telephone 01235 422496.

Strategic objectives

- Delivery of an effective internal audit function will support the councils in meeting their strategic objectives.

Background

- 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. The joint committee approved the 2017/2018 annual internal audit plan on 20 March 2017.

Management issues

- Internal audit has continued to provide a significant level of resource to the five councils partnership during transition, including reviews of service readiness documentation.

Monthly audit manager meetings continue across the five district councils to share transition, process and control environment information.

An agency auditor was used to back-fill the auditor position from 4 September 2017 to 17 November 2017 and a further 11 week appointment is planned for 22 January 2018 to 6 April 2018.

Progress against the 2017/2018 audit plan

- 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 17/18	Q2 17/18	Q3 17/18	Q4 17/18
Chargeable (identifiable client and/or specific IA deliverable)	76%	77.5%	76.5%	83.5%	72%	76%
Non-Chargeable (corporate, not IA deliverable)	7%	6%	5.5%	7%	6%	6%
Planned Lost (i.e. leave)	15%	15%	17.5%	9.5%	18%	18%
Unplanned Lost (i.e. study, sickness)	2%	1.5%	0.5%	0%	4%	0%

- As at 16 January 2018 the status of audit work against the 2017/2018 audit plan is as follows:

Planned

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

2017/2018	Planned	Complete	Draft	In progress	To commence
PLANNED	27	9	1	9	8
Joint	25	7	1	9	8
SODC	1	1	0	0	0
VWHDC	1	1	0	0	0

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).

2017/2018	Requested	Complete	Draft	In progress	To commence
ADHOC	7	4	0	3	0
Joint	3	2	0	1	0
SODC	0	0	0	0	0
VWHDC	4	2	0	2	0

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.

2017/2018	Requested/ become due	Complete	Draft	In progress	To commence
FOLLOW-UP	14	10	0	4	0
Joint	11	8	0	3	0
SODC	2	2	0	0	0
VWHDC	1	0	0	1	0

Priorities for 2017/2018 quarter four (January 2018 – March 2018)

10. The priorities for quarter four are to:
- Complete the 2017/2018 audit plan.
 - Identify and address any internal audit resource concerns once management restructure is completed.
 - Develop draft 2018/2019 audit plan.
 - Review the audit risk assessment process in line with the councils' approach to risk management.
11. Remaining 2017/2018 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.

SANDY BAYLEY
INTERIM INTERNAL AUDIT MANAGER