

# Joint Audit and Governance Committee



Report of Internal Audit Manager

Author: Victoria Dorman-Smith

Telephone: 01235 422430

Textphone: 18001 01235 422430

E-mail: [victoria.dorman-smith@southandvale.gov.uk](mailto:victoria.dorman-smith@southandvale.gov.uk)

SODC cabinet member responsible: Councillor Leigh Rawlins

Tel: 01189 722565

E-mail: [leigh.rawlins@southoxon.gov.uk](mailto:leigh.rawlins@southoxon.gov.uk)

VWHDC cabinet member responsible: Councillor Andy Crawford

Telephone: 01235 772134

E-mail: [andy.crawford@whitehorsedc.gov.uk](mailto:andy.crawford@whitehorsedc.gov.uk)

To: Joint Audit and Governance Committee

DATE: 13 July 2020

## Internal audit management report quarter four 2019/2020

### 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 2019/20 audit plan up to 31 March 2020; and
  - to summarise the priorities for quarter one 2020/21.
2. The contact officer for this report is Victoria Dorman-Smith, Internal Audit Manager for South Oxfordshire District Council (SODC) and Vale of White Horse District Council (VWHDC), telephone 01235 422430.

## Strategic objectives

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

## Background

- The Public Sector Internal Audit Standards (PSIAS), effective from 1 April 2017, state that the head of internal audit should prepare a risk-based audit plan, which should outline the assignments to be carried out and the resource requirements to deliver the plan, for audit committee approval. The Joint Audit and Governance Committee approved the 2019/20 annual internal audit plan on 25 March 2019.
- The PSIAS also states that the head of internal audit must periodically report on performance relative to the plan.

## Management issues

- During the quarter, internal audit was engaged to perform two unplanned investigations, which used a total of 16 contingency days. The internal audit manager anticipates that there will be no impact to the delivery of the 2019/2020 audit plan; however, it is estimated that three planned audits will be finalised in quarter one of 2020/21.

## Progress against the 2019/2020 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	Actuals by Quarter			
			Q1 19/20	Q2 19/20	Q3 19/20	Q4 19/20
<b>Chargeable</b> (identifiable client and/or specific IA deliverable)	75%	69%	70%	72.5%	69%	72%
<b>Non-Chargeable</b> (corporate, not IA deliverable)	9%	11.5%	10%	14%	16.5%	17%
<b>Planned Lost</b> (i.e. leave)	14%	18%	17.5%	13.5%	12.5%	7%
<b>Unplanned Lost</b> (i.e. study, sickness)	2%	1.5%	2.5%	0%	2%	4%

- As at 31 March 2020 the status of audit work against the 2019/20 audit plan is as follows:

### Planned

Strategic, operational and financial assurance work known and approved by the joint audit and governance committee. The internal audit plan for 2019/20 included three potential planned assurance audits, to be performed depending on the outcome of recruitment activity. Due to successful recruitment in quarter three, the following potential audits are due to be undertaken in quarter four:

- **Land Charges** - in progress
- **Assets of Community Value** - in progress
- **Engineering Services (sewerage, flooding, drainage)** - to commence

2019/2020	Planned	Completed	Draft Out	In progress	To commence
<b>Total</b>	<b>24</b>	<b>12</b>	<b>2</b>	<b>8</b>	<b>2</b>
Joint	22	11	2	7	2
SODC	1	1	0	0	0
VWHDC	1	0	0	1	0

Ad-hoc

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).

2019/2020	Requested	Complete	Draft	In progress	To commence
<b>Ad-hoc</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Joint	0	0	0	0	0
SODC	2	2	0	0	0
VWHDC	0	0	0	0	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.

2019/2020	Requested	Complete	Draft	In progress	To commence
<b>Follow up</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>2</b>	<b>1</b>
Joint	0	5	0	2	1
SODC	0	0	0	0	0
VWHDC	0	0	0	0	0

**Priorities for 2020/21 quarter one (April 2020 - June 2020)**

- The priorities for quarter one are to:
  - Complete planned audit work, in line with the 2019/20 audit plan;
  - Prepare the annual internal audit report for 2019/20; and
  - Commence planned audit work for 2020/21, in line with the audit plan
- Remaining 2019/20 planned audit work can be reviewed in **appendix 2**.

**Financial implications**

- 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.

VICTORIA DORMAN-SMITH  
INTERNAL AUDIT MANAGER