

Joint Audit and Governance Committee



Report of Internal Audit Manager

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To: Joint Audit and Governance Committee

DATE: 27 September 2022

Internal audit management report quarter two 2022/23

Recommendation(s)

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 2022/23 internal audit plan up to 9 September 2022: and
 - to summarise the priorities for quarter three 2022/23.
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 07766 780835, email victoria.dorman-smith@southandvale.gov.uk.

Strategic objectives

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

Background

4. The Public Sector Internal Audit Standards (PSIAS) 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 2022/23 annual internal audit plan on 29 March 2022.
5. The PSIAS also states that the head of internal audit must periodically report on performance relative to the plan.

Progress against the 2022/23 internal audit plan

6. In September 2022, the internal audit manager began a mid-year assessment of the internal audit plan for 2022/23 to ensure that it continues to respond to emerging risks and corporate objectives. As part of this review, the internal audit manager will perform enquiries of the strategic management team (SMT) to obtain insights into the level of risk exposure within each service area across both councils. In addition, the corporate risk registers will be reviewed as this represents management's assessment of the risks to the councils achieving their strategic objectives.
7. Progress against the approved internal audit plan for 2022/23 has been calculated for the year to date and is summarised in **appendix 1** attached. The status of planned, unplanned and follow up audit work is as follows:

Planned: Strategic, operational, and financial assurance and consultancy work known and approved by the joint audit and governance committee.

2022/23	Planned	To commence	In progress	Draft Out	Completed
Total	30	17	9	1	3
Joint	30	17	9	1	3
SODC	0	0	0	0	0
VWHDC	0	0	0	0	0

Unplanned: Unplanned project work based on agreed terms of reference with the internal 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).

Unplanned	Requested	Complete	In progress	To commence
Total	0	0	0	1
Joint	0	0	0	1
SODC	0	0	0	0
VWHDC	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.

Follow up	Requested	Completed	In progress	To commence Q3 2022/23
Total	0	4	0	1
Joint	0	4	0	1
SODC	0	0	0	0
VWHDC	0	0	0	0

8. Performance figures to date are as follows:

Performance criteria	Target	YTD	Actuals by Quarter	
			Q1 22/23	Q2 22/23
Chargeable (identifiable client and/or specific IA deliverable)	71%	55%	51%	60%
Non-Chargeable (corporate, not IA deliverable)	9%	17%	15%	18%
Planned Lost (i.e. leave)	16%	21%	25%	16%
Unplanned Lost (i.e. study, sickness)	4%	7%	9%	6%

9. The priorities for quarter three are to:

- Finalise audit work from the first half of the year:
- Commence Q3 planned audit work in line with the 2022/23 audit plan.
- Complete half yearly assessment of the audit plan.

Climate and ecological impact implications

10. There are no direct climate or ecological implications arising from this report.

Financial implications

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

Legal implications

12. None.

Risk implications

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

VICTORIA DORMAN-SMITH
INTERNAL AUDIT MANAGER