

Audit and Corporate Governance Committee



Report of Audit Manager

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To: Audit and Corporate Governance Committee

DATE: 29 January 2013

AGENDA ITEM 5

Internal audit management report quarter three 2012/2013

Recommendation(s)

- (a) 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 2012/2013 audit plan up to 17 January 2013; and
 - to summarise the priorities for quarter four 2012/2013.
2. The contact officer for this report is Adrianna Partridge, Audit Manager for South Oxfordshire District Council and Vale of White Horse District Council, telephone (SODC) 01491 823544 and (VWHDC) 01235 547615.

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. This Committee approved the annual internal audit plan on 21 March 2012.

Management issues

6. Following the town and parish council forums in November, internal audit have had strong interest from three town and parish councils to provide their internal audit services from April 2013. Town and parish councillors will decide who will provide their internal audit services at their January finance committee meetings.
7. In accordance with best practice, the audit manager has completed the Audit Commission's fighting fraud self-assessment checklist which is attached in **appendix 1** for information. The assessment has been reviewed by the head of finance, section 151 officer and external audit, and identifies 5 actions which will be implemented by the audit manager.

Progress against the 2012/2013 audit plan

8. Progress against the approved audit plan has been calculated for the quarter and year to date and is summarised in **appendix 2** attached.
9. Performance figures are as follows:

	Target	YTD	Q1 12/13	Q2 12/13	Q3 12/13	Q4 12/13
Chargeable (identifiable client and/or specific IA deliverable)	70%	71%	71.5%	71%	68.5%	77%
Non-Chargeable (corporate, not IA deliverable)	8%	4.5%	5%	4.5%	4.5%	4.5%
Lost (i.e. leave, study, sickness)	22%	24.5%	23.5	24.5%	27%	18.5%

10. As at 17 January 2013 the status of audit work against the 2012/2013 audit plan is as follows:

Planned

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

2012/2013	Planned	Complete	Draft	In progress	To commence
PLANNED	29	16	2	3	8
Joint	26	14	1	3	8
SODC	2	2	0	0	0
VWHDC	1	0	1	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).

2012/2013	Requested	Complete	Draft	In progress	To commence
ADHOC	3	3	0	0	0
Joint	1	1	0	0	0
SODC	1	1	0	0	0
VWHDC	1	1	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.

2012/2013	Requested	Complete	Draft	In progress	To commence
FOLLOW-UP	36	28	0	0	8
SODC	16	12	0	0	4
VWHDC	20	16	0	0	4

Priorities for 2012/2013 quarter three (October 2012 – December 2012)

11. The priority for quarter three is to:
- review the money laundering control environment; and
 - to prepare the audit plan 2013/2014.
12. Remaining 2012/2013 planned audit work can be reviewed in **appendix 3**.

Financial implications

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

Legal implications

14. None.

Risk implications

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

ADRIANNA PARTRIDGE
AUDIT MANAGER