

# Audit and Governance Committee report



## 28 September 2011

Report of: **Audit Manager**

Author: **Adrianna Partridge**

Telephone: **01235 547615**

Telephone: **01491 823544**

E-mail: **[adrianna.partridge@southandvale.gov.uk](mailto:adrianna.partridge@southandvale.gov.uk)**

Cabinet member responsible: **Councillor Matthew Barber**

Telephone: **07816 481452**

E-mail: **[matthew.barber@whitehorsedc.gov.uk](mailto:matthew.barber@whitehorsedc.gov.uk)**

To: Audit and Governance Committee

DATE: 28 September 2011

**REPORT NO. 28/11**

Wards Affected  
All

## Internal audit management report quarter two 2011/2012

### 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 2011/2012 audit plan up to 15 September 2011
  - to summarise the priorities for quarter three 2011/2012.
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. To assist the council to manage its business effectively by providing an assurance framework to monitor the overall adequacy and effectiveness of the internal control environment.

## 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 9 March 2011.

## Management issues

6. During the last quarter, internal audit undertook a consultancy review of the housing debt management system. Internal audit's remit was to review and compare the suitability of the functionality of the Agresso Accounts Receivable and Abrisas systems respectively for the management of housing debt and assess each systems control environment. The findings of this review have been used by Housing to assist in their housing restructure and fit for the future review.
7. The audit manager has been working with Democratic Services to review the anti-fraud and corruption policy to ensure the inclusion of the new bribery act requirements. The anti-money laundering policy has also been reviewed and updated, to strengthen the roles and responsibilities of the money laundering reporting officer and compliance officer. The audit manager will be reviewing the potential avenues for money laundering across the councils and training relevant staff.
8. During August, the audit manager was asked to undertake a grievance investigation which forms part of the responsibility of a service manager. This is unexpected non-chargeable work, and will impact on the team's performance figures. To date, 7.5 days have been utilised.
9. The audit manager has also been asked to undertake an investigation for SODC, which involves two external partners. Currently the terms of reference are being agreed with all parties, and at that stage budgeted days for the review will be agreed.

## Progress against the 2011/2012 audit plan

10. Progress against the approved audit plan has been calculated for the quarter up to 15 September 2011 and year to date and is summarised in **appendix 1** attached.
11. Performance figures are as follows:

	Target	YTD	Q1 11/12	Q2 11/12	Q3 11/12	Q4 11/12
<b>Chargeable</b> (identifiable client and/or specific IA deliverable)	72%	71.5%	70%	73%	-	-
<b>Non-Chargeable</b> (corporate, not IA deliverable)	7%	7.5%	8%	7.5%	-	-
<b>Lost</b> (i.e. leave, study, sickness)	21%	21%	22%	19.5%	-	-

12. As at 15 September 2011 the status of audit work against the 2011/2012 audit plan is as follows:

Planned

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

2011/2012	Planned	Complete	Draft	In progress	To commence
<b>PLANNED</b>	<b>34</b>	<b>7</b>	<b>3</b>	<b>5</b>	<b>19</b>
Joint	32	6	2	5	19
SODC	1	1	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).

2011/2012	Requested	Complete	Draft	In progress	To commence
<b>ADHOC</b>	<b>7</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>3</b>
Joint	4	2	0	0	2
SODC	1	0	0	0	1
VWHDC	2	2	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.

2011/2012	Requested	Complete	Draft	In progress	To commence
<b>FOLLOW-UP</b>	<b>30</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>17</b>
SODC	14	6	0	0	8
VWHDC	16	7	0	0	9

## **Priorities for 2011/2012 quarter three (October 2011 - December 2011)**

12. The priority for quarter three is:
- To complete the investigations.
  - To assess potential avenues for money laundering within the councils and assess staff training needs.
13. Planned audit work which is scheduled for quarter three can be reviewed in **appendix 2**.

## **Financial implications**

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

## **Legal implications**

15. None

## **Risk implications**

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

ADRIANNA PARTRIDGE  
AUDIT MANAGER