

Audit and Governance Committee Report



21 March 2012

Report of: **Audit Manager**

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To: Audit and Governance Committee

DATE: 21 March 2012

Report no. 86/11

Wards Affected
All

Internal audit management report quarter four 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 8 March 2012; and
 - to summarise the priorities for quarter one 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

- 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

- 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. This Committee approved the annual internal audit plan on 9 March 2011.

Management issues

- There are no management issues to report.

Progress against the 2011/2012 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 are as follows:

	Target	YTD	Q1 11/12	Q2 11/12	Q3 11/12	Q4 11/12
Chargeable (identifiable client and/or specific IA deliverable)	72%	72%	70%	73%	68%	77%
Non-Chargeable (corporate, not IA deliverable)	7%	6%	8%	7%	4%	4.5%
Lost (i.e. leave, study, sickness)	21%	22%	22%	20%	28%	18.5%

- As at 8 March 2012 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
PLANNED	33	22	3	6	2

Joint	31	20	3	6	2
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).

2011/2012	Requested	Complete	Draft	In progress	To commence
ADHOC	6	4	0	2	0
Joint	3	2	0	1	0
SODC	1	0	0	1	0
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
FOLLOW-UP	35	28	0	4	3
SODC	16	13	0	2	1
VWHDC	19	15	0	2	2

Priorities for 2012/2013 quarter one (April 2012 – June 2012)

10. The priority for quarter one is to:

- Issue all final reports relating to the annual audit plan 2011/2012;
- Allocate, schedule and commence 2012/2013 audits; and
- review the money laundering control environment and ascertain officer training needs.

11 Remaining 2011/2012 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.

ADRIANNA PARTRIDGE
AUDIT MANAGER