

# Audit and Governance Committee Report



## 23 September 2013

Report of: **Interim Audit Manager**

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To: Audit and Governance Committee

DATE: 23 September 2013

Wards Affected  
All

## Internal audit management report quarter two 2013/2014

### 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 2013/2014 audit plan up to 2 September 2013; and
  - to summarise the priorities for quarter three 2013/2014.
2. The contact officer for this report is Craig Pullen, Interim 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 20 March 2013.

## Management issues

6. Following the meeting of the Finance Strategy & Management Committee of Henley Town Council in July, internal audit have been appointed as the Town Councils' internal auditors, initially for one year with an option to extend this by a further three years.
7. One of our auditors, Sheeraz Khan, has tendered his resignation and will leave his position on 29<sup>th</sup> September 2013. Options for a replacement are currently being considered.

## Progress against the 2013/2014 audit plan

8. Progress against the approved audit plan has been calculated for the quarter and year to date and is summarised in **appendix 1** attached.
9. Performance figures are as follows:

	Target	YTD	Q1 13/14	Q2 13/14	Q3 13/14	Q4 13/14
<b>Chargeable</b> (identifiable client and/or specific IA deliverable)	73%	72.0%	72.5%	70.5%	-	-
<b>Non-Chargeable</b> (corporate, not IA deliverable)	8%	6.5%	8.0%	3.5%	-	-
<b>Lost</b> (i.e. leave, study, sickness)	19%	22.0%	19.5%	25.5%	-	-

10. As at 2 September 2013 the status of audit work against the 2013/2014 audit plan is as follows:

### Planned

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

2013/2014	Planned	Complete	Draft	In progress	To commence
<b>PLANNED</b>	<b>30</b>	<b>7</b>	<b>2</b>	<b>5</b>	<b>16</b>
Joint	27	6	2	5	14
SODC	2	1	0	0	1
VWHDC	1	0	0	0	1

#### 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).

2013/2014	Requested	Complete	Draft	In progress	To commence
<b>ADHOC</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>
Joint	0	0	0	0	0
SODC	0	0	0	0	0
VWHDC	1	0	0	1	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.

2013/2014	Requested	Complete	Draft	In progress	To commence
<b>FOLLOW-UP</b>	<b>34</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>19</b>
SODC	18	8	0	0	10
VWHDC	16	7	0	0	9

#### **Priorities for 2013/2014 quarter three (October 2013 – December 2013)**

11. The priority for quarter three is to:

- successfully recruit a new auditor

- maintain progress against audit plan

12. Remaining 2013/2014 planned audit work can be reviewed in **appendix 2**.

### **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.

CRAIG PULLEN  
INTERIM AUDIT MANAGER