

# Audit and Governance Committee Report



## 24 September 2014

Report of **Audit Manager**

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To: Audit and Governance Committee

DATE: 24 September 2014

## Internal audit management report quarter two 2014/2015

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 2014/2015 audit plan up to 15 September 2014; and
  - to summarise the priorities for quarter three 2014/2015.
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 17 March 2014.

## Management issues

6. Nilesch Parmar, auditor left the council on the 29 August. The recruitment process for a replacement has commenced, and interviews will be held on the 22 and 23 September. In the interim, Craig Pullen will be returning to undertake a number of key financial system audits.

## Progress against the 2014/2015 audit plan

7. Progress against the approved audit plan has been calculated for the quarter and year to date and is summarised in **appendix 1** attached.
8. Performance figures to date 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)	74%	75%	72%	77.5%		
<b>Non-Chargeable</b> (corporate, not IA deliverable)	8%	7%	7%	6.5%		
<b>Lost</b> (i.e. leave, study, sickness)	18%	18%	21%	16%		

9. As at 15 September 2014 the status of audit work against the 2014/2015 audit plan is as follows:

### Planned

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

2014/2015	Planned	Complete	Draft	In progress	To commence
<b>PLANNED</b>	<b>26</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>18</b>
Joint	26	5	1	2	18

#### 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).

2014/2015	Requested	Complete	Draft	In progress	To commence
<b>ADHOC</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
Joint	1	1	0	0	0
SODC	0	0	0	0	0
VWHDC	0	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.

2014/2015	Requested	Complete	Draft	In progress	To commence
<b>FOLLOW-UP</b>	<b>27</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>12</b>
SODC	13	7	0	0	6
VWHDC	14	8	0	0	6

#### **Priorities for 2014/2015 quarter three (October 2014 – December 2014)**

10. The priorities for quarter three are to:

- Successfully appoint to the auditor position.

- Undertake a full review of the town and parish council initiative and make recommendations to the strategic management board.
- Undertake a full review of the risk management and business continuity management arrangements and make recommendations to the strategic management board.

11. Remaining 2014/2015 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