

Audit and Governance Committee Report



22 January 2015

Report of **Audit Manager**

Author: **Adrianna Partridge**

Telephone: **01235 547615**

Telephone: **01491 823544**

E-mail: **adrianna.partridge@southandvale.gov.uk**

Cabinet member responsible: **Councillor Matthew Barber**

Telephone: **07816 481452**

E-mail: **matthew.barber@whitehorsedc.gov.uk**

To: Audit and Governance Committee

DATE: 22 January 2015

Internal audit management report quarter three 2014/2015

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 2014/2015 audit plan up to 12 January 2014.
 - to summarise the priorities for quarter four 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. Helen Lee joined the internal audit team on the 8 December 2014, and has now commenced her first audit. The team is now at full complement and remains on track to complete the audit plan.
7. During November and December, IT developed the recommendations (recs) database. Several officers and Councillor Pat Lonergan assisted in the design and reporting format, and the first overdue recommendations report is being presented at this meeting. The recs database is now accessible to all officers and councillors via the internal audit page on the intranet, and the audit manager is attending service team meetings to show managers how they can use the database.
8. During December, the three areas of the finance team (accountancy, internal audit and revenues and benefit) submitted their evidence to be pre-assessed for the achievement of the G4S customer service excellence award. The pre-assessment went well, and it is hoped that finance will achieve the award at the full assessment in February 2015.

Progress against the 2014/2015 audit plan

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

	Target	YTD	Q1 13/14	Q2 13/14	Q3 13/14	Q4 13/14
Chargeable (identifiable client and/or specific IA deliverable)	74%	70.5%	72%	79.5%	61.5%	63.5%
Non-Chargeable (corporate, not IA deliverable)	8%	8.5%	7%	6.5%	13%	5.5%
Lost (i.e. leave, study, sickness)	18%	20.5%	21%	14%	25.5%	31.5%

11. As at 12 January 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
PLANNED	26	9	1	7	9
Joint	26	9	1	7	9

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
ADHOC	2	1	1	0	0
Joint	1	1	0	0	0
SODC	0	0	0	0	0
VWHDC	1	0	1	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
FOLLOW-UP	32	21	0	1	10
SODC	15	10	0	0	5
VWHDC	17	11	0	1	5

Priorities for 2014/2015 quarter four (January 2015 – March 2015)

12. The priorities for quarter four are to:
- Complete the audit plan 2014/2015.
 - Complete the internal audit specification for internal audit to be market-tested for outsourcing as part of the corporate service project.
 - Undertake a full review of the risk management and business continuity management arrangements and make recommendations to the strategic management board.
13. Remaining 2014/2015 planned audit work 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