

Audit and Governance Committee Report



19 March 2015

Report of **Audit Manager**

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To: Audit and Governance Committee

DATE: 19 March 2015

Internal audit management report quarter four 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 5 March 2015; and
 - to summarise the priorities for quarter one 2015/2016.
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 01235 540389.

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 2014/2015 annual internal audit plan on 17 March 2014.

Management issues

6. The audit team is focused on completing the key financial systems audits by year end, and pending any unexpected delays the team is on track to do so. Current year planned audits which were postponed following the Crowmarsh fire have been placed in the 2015/2016 audit plan being presented at this committee meeting for approval. In addition to the planned audit work, resources have also had to be allocated to an urgent investigation which is currently in progress.
7. An auditor has been on sick leave since 9 February, and it is anticipated that this may continue for a further month. Resource requirements are being addressed.

Progress against the 2014/2015 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 to date are as follows:

	Target	YTD	Q1 14/15	Q2 14/15	Q3 14/15	Q4 14/15
Chargeable (identifiable client and/or specific IA deliverable)	74%	71.5%	72%	79.5%	61.5%	72.5%
Non-Chargeable (corporate, not IA deliverable)	8%	9.5%	7%	6.5%	13%	10.5%
Lost (i.e. leave, study, sickness)	18%	19.5%	21%	14%	25.5%	17%

10. As at 5 March 2015 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	Carry forward 2015/2016
PLANNED	26	10	1	8	7
Joint	26	10	1	8	7

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	3	1	1	1	0
Joint	1	1	0	0	0
SODC	0	0	0	0	0
VWHDC	2	0	1	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.

2014/2015	Requested	Complete	Draft	In progress	To commence
FOLLOW-UP	33	22	0	1	10
SODC	16	11	0	0	5
VWHDC	17	11	0	1	5

Priorities for 2015/2016 quarter one (April 2015 – June 2015)

11. The priorities for quarter one are to:

- Complete the audit plan 2014/2015 and commence 2015/2016 planned audit work.
- Confirm resource requirements for the corporate services project.

- Undertake a full review of the business continuity response to the Crowmarsh fire, document lessons learnt and draft business continuity plans for the temporary accommodation.

12. Remaining 2014/2015 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.

ADRIANNA PARTRIDGE
AUDIT MANAGER