

REPORT OF THE AUDIT MANAGER  
TO THE AUDIT & GOVERNANCE COMMITTEE  
30 JUNE 2008

**Internal Audit Management Report Quarter 1 2008/2009**

**1.0 Introduction and Report Summary**

- 1.1 The purpose of this report is:
- to report on management issues
  - to summarise the progress of internal audit against the 2008/2009 audit plan up to the 16<sup>th</sup> June 2008.
  - to summarise the priorities and planned audit work for quarter 2 2008/2009.
- 1.2 The Contact Officer for this report is Adrianna Penn, Audit Manager for South Oxfordshire District Council and Vale of White Horse District Council, telephone (SODC) 01491 823544 and (VWHDC) 01235 547615.

**2.0 Recommendations**

*that Members note the content of the report.*

**3.0 Relationship with the Council's Vision, Strategies and Policies**

- (a) Vision strand E.
- (b) No specific strategy; although the Audit Plan will underpin all Strategies indirectly.
- (c) Anti Fraud & Corruption Policy; and all Policies indirectly.

**4.0 Background**

- 4.1 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.
- 4.2 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 the 19<sup>th</sup> March 2008.

**5.0 Management Issues**

- 5.1 The Auditor based at VWHDC from the 2<sup>nd</sup> January 2008, handed in his notice in April 2008 to take up a position in London. The position was re-advertised and the post was filled on the 2<sup>nd</sup> June 2008.
- 5.2 Mazars have been appointed as the contractors to supplement the in-house team. They have been allocated 60 days from the annual audit plan 2008/2009, and commence their first planned audit on the 16<sup>th</sup> June 2008. A working protocol has been agreed with Mazars to ensure a consistent approach, and their performance in accordance with the contract will be monitored by the Audit Manager.

## 6.0 Progress against the 2008/2009 Audit Plan

6.1 Progress against the approved audit plan has been calculated for the quarter up to the 16<sup>th</sup> June 2008 and year to date and is summarised in **Appendix 1** attached.

6.2 Performance figures are as follows:

	Target	YTD	Q4 07/08	Q1 08/09	Q2	Q3
<b>Chargeable</b>	71.5%	65%	54%	65%	-	-
<b>Non-Chargeable</b>	10%	14%	21%	14%	-	-
<b>Lost</b>	18.5%	21%	25%	21%	-	-

6.3 The significant sickness absence incurred by the section within quarter 4 2007/2008 is no longer a factor and good progress against individual quarterly plans is being made by each member of the section. 9 planned audits were in progress at the year end, but all 2007/2008 work has now been completed/issued in draft and the section is on track with 2008/2009 planned audit work. There has been a significant reduction in the level of time spent on non-chargeable work within quarter 1, which will have a positive impact on the level of chargeable work once annual leave is utilised through the year. The Audit Manager remains confident the targets can be achieved.

6.4 As at the 16<sup>th</sup> June 2008, the status of audit work is as follows:

	Planned	Complete	Draft	In progress	To commence
<b>PLANNED</b>	<b>50</b>	<b>0</b>	<b>3</b>	<b>9</b>	<b>38</b>
Joint	35	0	0	8	27
SODC	7	0	1	0	6
VWHDC	8	0	2	1	5
<b>ADHOC</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
Joint	0	0	0	0	0
SODC	1	1	0	0	0
VWHDC	0	0	0	0	0
<b>FOLLOW - UP</b>	<b>40</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>33</b>
Joint	11	0	0	0	11
SODC	13	1	0	0	12
VWHDC	16	6	0	0	10

## 7.0 Priorities for 2008/2009 Quarter 2 (July 2008 – September 2008)

7.1 The priority for quarter 2 is:

- to complete a self-assessment of the section against the CIPFA requirements and draft an improvement action plan;
- to review Internal Audit's presence on the Councils' intranet and internet;
- to develop a money laundering training programme.

7.2 Planned audit work which is currently ongoing and has been scheduled for quarter 2 is as follows:

Joint Audits	SODC Audits	VWHDC Audits
Brown Bins Gifts & Hospitality Out of Hours Arrangements Petty Cash Receipt of Income Arrangements Risk Management SOLL Leisure Anti-Fraud & Corruption Policy Contract Monitoring Council Charges Creditor Payments Payroll Stock Control Sundry Debtors Treasury Management	Car Park Income Complaints Process Concessionary Fares	Business Continuity Planning DSO Gazatteer Unit Rent Accounting Tender Process

ADRIANNA PENN  
AUDIT MANAGER

## PLANNED AUDITS 2008/2009

## APPENDIX 1

[illegible]

[illegible]

<b>Risk Management</b> SODC VWHDC	<b>In Progress</b>	20											
<b>SOLL Leisure</b> SODC VWHDC	<b>In Progress</b>	20											
<b>Stock Control</b> SODC VWHDC	<b>TOR Sent</b>	20											
<b>Sundry Debtors</b> SODC VWHDC	Outstanding Q2	20											
<b>Treasury Management</b> SODC VWHDC	Outstanding Q2	20											
<b>SODC</b>													
<b>Car Park Income</b>	Outstanding Q2	10											
<b>Complaints Process</b>	<b>TOR Sent</b>	10											
<b>Concessionary Fares</b>	<b>TOR Sent</b>	10											
<b>Didcot Arts Centre</b>	Outstanding Q4	15											
<b>Licensing</b>	<b>Draft Out</b>	10	8.5										
<b>Pest Control</b>	Outstanding Q3	10											
<b>Tourism (Marketing Contract)</b>	Outstanding Q4	10											
<b>VWHDC</b>													
<b>Bar Management</b>	<b>Draft Out</b>	10	8.5										
<b>Business Continuity Planning</b>	<b>In Progress</b>	10											
<b>DSO</b>	Outstanding Q2	8											
<b>Gazatteer Unit</b>	<b>TOR Sent</b>	7											
<b>Guildhall</b>	<b>Draft Out</b>	10	7.5										
<b>Oxfordshire Waste Partnership</b>	Outstanding Q3	10											
<b>Rent Accounting</b>	<b>TOR Sent</b>	10											
<b>Tender Process</b>	<b>TOR Sent</b>	10											
<b>TOTALS</b>	<b>-</b>	<b>812</b>	<b>24.5</b>		<b>Full</b>								
					<b>Satisfactory</b>								
					<b>Limited</b>								
					<b>Nil</b>								

## **FOLLOW UP AUDITS 2007/2008**

System Name	Total Days Used	Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
<b>SODC</b>							
Building Control	0.5	Satisfactory	3	1	2	0	0
<b>VWHDC</b>							
Refuse Collection and Street Cleansing	1	Satisfactory	8	3	2	3	0
Recycling	1.5	Satisfactory	12	5	3	4	0
Excess Charges	0.5	Good (now Full)	2	2	0	0	0
Health and Safety	2	Satisfactory	17	10	5	2	0
Insurance	1	Satisfactory	5	1	0	4	0
Cash	1	Satisfactory	23 (14 review in 08/09 work, 9 followed up)	7	0	2	0
SOLL Leisure	0.5	Satisfactory	6	6	0	0	0
Environmental Protection	0.5	Good (now Full)	4	3	1	0	0
<b>TOTALS</b>	<b>8</b>	<b>-</b>	<b>63</b>	<b>37</b>	<b>11</b>	<b>15</b>	<b>0</b>

## **FOLLOW UP AUDITS 2008/2009**

System Name	Total Days Used	Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
<b>SODC</b>							
-	-	-	-	-	-	-	-
<b>VWHDC</b>							
-	-	-	-	-	-	-	-
<b>TOTALS</b>							

## UNPLANNED WORK 2008/2009

### CONSULTANCY

System Name	Status	Audit Allocation	Total Days Used	Requested By
<b>JOINT</b>				
None	-	-	-	-
<b>SODC</b>				
None	-	-	-	-
<b>VWHDC</b>				
None	-	-	-	-

### CONTINGENCY

System Name	Status	Audit Allocation	Total Days Used	Requested By
<b>JOINT</b>				
None	-	-	-	-
<b>SODC</b>				
Investigation 1	Completed	10	15	Chief Executive
<b>VWHDC</b>				
None	-	-	-	-

### SYSTEM DEVELOPMENT

System Name	Status	Audit Allocation	Total Days Used	Requested By
<b>JOINT</b>				
None	-	-	-	-
<b>SODC</b>				
None	-	-	-	-
<b>VWHDC</b>				
None	-	-	-	-