

REPORT OF THE AUDIT MANAGER
TO THE AUDIT AND GOVERNANCE COMMITTEE
22 SEPTEMBER 2008

Internal Audit Management Report Quarter 2 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 8th September 2008
- to summarise the priorities and planned audit work for quarter 3 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 19th March 2008.

5.0 Management Issues

5.1 Internal Audit has been asked to complete a number of unplanned audits and provide consultancy advice (referred to in Appendix), which is an encouraging indication that the profile of the section has improved. Due to the strong progress Internal Audit is making with the planned audit schedule, these requests can be

included without placing any pressure on the section's ability to complete the agreed programme of work by the year-end.

5.2 To assist in completing the 2007/2008 NNDR review and plan for the 2008/2009 review, two members of the section visited Capita's Bromley site in August. Whilst on-site, Internal Audit was also able to undertake some testing for the Audit Commission to assist them in their review. Communication and co-operation between Internal Audit and the Audit Commission remains strong, which will lead to further efficiencies.

5.3 The Audit Manager has not been able to complete the CIPFA self-assessment in time to present the improvement action plan to Committee, but this will be presented at the next meeting.

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 8th September 2008 and year to date and is summarised in **Appendix 1** attached.

6.2 Performance figures are as follows:

	Target	YTD	Q1 08/09	Q2 08/09	Q3 08/09	Q4 08/09
Chargeable	71.5%	66%	66.5%	65.5%	-	-
Non-Chargeable	10%	15%	14.5%	15%	-	-
Lost	18.5%	19%	19%	19.5%	-	-

6.3 Excellent progress is being made with the agreed planned audit work, despite anticipated delays in completing audits due to the summer period. The section continues to focus on its level of chargeable work, and is confident the targets can be achieved at the year-end.

6.4 As at the 8th September 2008, the status of audit work is as follows:

	Planned	Complete	Draft	In progress	To commence
PLANNED	50	10	6	8	26
Joint	35	4	3	6	22
SODC	7	2	1	1	3
VWHDC	8	4	2	1	1
ADHOC	4	1	1	0	2
Joint	0	0	0	0	0
SODC	4	1	1	0	2
VWHDC	0	0	0	0	0
FOLLOW - UP	57	10	0	0	47
Joint	15	0	0	0	15

SODC	20	1	0	0	19
VWHDC	22	9	0	0	13

7.0 **Priorities for 2008/2009 Quarter 3 (October 2008 – December 2008)**

7.1 The priority for quarter 3 is:

- to complete a self-assessment of the section against the CIPFA requirements and draft an improvement action plan;
- to draft an internal audit strategy in accordance with CIPFA;
- to complete a money laundering training programme.

7.2 Planned audit work which is currently ongoing and has been scheduled for quarter 3 is as follows:

Joint Audits	SODC Audits	VWHDC Audits
Academy Agresso Anti-Fraud and Corruption Policy Brown Bins Capital Accounting Contract Monitoring Council Charges Council Tax Creditor Payments Emergency Planning Freedom of Information General Ledger GIS Housing and Council Tax Benefits ICT NNDR Payroll Receipt of Income Arrangements Stock Control Sundry Debtors Treasury Management	Car Park Income Complaints Pest Control	Consultation DSO Petty Cash Procedures Post Room Rent Accounting Tender Process

7.3 Follow-up work which is scheduled for quarter 3 is as follows:

Joint Audits	SODC Audits	VWHDC Audits
-	Cleansing Service 07/08 Dog Control 07/08 Waste Management 07/08	Concessionary Fares 07/08 Elections 07/08 Homelessness & Temporary Accommodation 07/08 LSP 07/08 White Horse Leisure & Tennis Centre 07/08

ADRIANNA PENN
AUDIT MANAGER

SODC VWHDC	In Progress Completed		4		Limited	13	4	4	7	7	2	2	0
SOLL Leisure SODC VWHDC	Completed	20	27	Difficulties in verifying SOLL information. Issues with format of Mazars' files and reports.	Satisfactory Satisfactory	5 7	0 0	N/A N/A	3 5	3 5	2 2	2 2	0 0
Stock Control SODC VWHDC	In Progress	20											
Sundry Debtors SODC VWHDC	Outstanding Q2	20											
Treasury Management SODC VWHDC	In Progress	20											
SODC													
Car Park Income	In Progress	10											
Complaints Process	Draft Out	10	4										
Concessionary Fares	Completed	10	8.5		Satisfactory	3	0	N/A	1	1	2	2	0
Didcot Arts Centre	Outstanding Q4	15											
Licensing	Completed	10	8.5		Limited	20	3	3	14	14	3	3	0
Pest Control	Outstanding Q3	10											
Tourism (Marketing Contract)	Outstanding Q4	10											
VWHDC													
Bar Management	Completed	10	9		Satisfactory	6	0	N/A	2	2	4	4	0
Business Continuity Planning	Completed	10	8		Satisfactory	10	1	1	6	6	3	3	0
DSO	In Progress	8											
Gazatteer Unit	Completed	7	9		Satisfactory	7	0	N/A	3	3	4	4	0
Guildhall	Completed	10	8		Satisfactory	10	0	N/A	4	3	6	6	1
Oxfordshire Waste Partnership	Outstanding Q3	10											
Rent Accounting	Draft Out	10	9										
Tender Process	Draft Out	10	14.5	New Auditor									
TOTALS	-	812	186			145	13	13	77	76	55	54	2
					Full	2							
					Satisfactory	12							
					Limited	3							
					Nil	0							

FOLLOW UP AUDITS 2007/2008

System Name	Total Days Used	Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
SODC							
Building Control	0.5	Satisfactory	3	1	2	0	0
VWHDC							
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
Benefit Counter-Fraud	1	Satisfactory	4	2	0	1	1
TOTALS	9.5		70	40	13	16	1

FOLLOW UP AUDITS 2008/2009

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

UNPLANNED WORK 2008/2009

CONSULTANCY

System Name	Status	Audit Allocation	Total Days Used	Requested By
JOINT				
None	-	-	-	-
SODC				
Focus Group Cash Payments	In Progress	3	-	Chief Executive
S106 Commuted Sums	To Commence	TBC	-	Strategic Directors
VWHDC				
None	-	-	-	-

CONTINGENCY

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

SYSTEM DEVELOPMENT

System Name	Status	Audit Allocation	Total Days Used	Requested By
JOINT				
None	-	-	-	-
SODC				
Fit for the Future	To Commence	TBC	-	Head of Business and Information Systems
VWHDC				
None	-	-	-	-