

## ANNUAL AUDIT PLAN 2012/13 – PROGRESS REPORT

### 1 SUMMARY

- 1.1 The Annual Audit Plan for 2012/13 was presented to the Audit Committee in June 2012 for Members' approval. Progress on the plan is reported here for Members' consideration.

### 2 INTRODUCTION

- 2.1 As a result of changes to resources within the Audit section and the need for additional time to be spent on some of the planned audit projects changes to the time allocations are required.

### 3 CHANGES TO THE 2012/13 AUDIT PLAN

- 3.1 The majority of the audit plan will stay the same, especially with regard to the requirements of the external auditors. The Housing Benefit Subsidy Claim work has already been completed, which saves the Council money as a result of not having to pay the external auditors to do the work. The recommended changes are in relation to the lowest risk areas and are as a result of a reduction in staff resources arising from sickness and future maternity leave. The total audit days lost will be an estimated 43 days for this financial year.
- 3.2 Internal Audit has undertaken two investigations on behalf of the HR team. This has used the contingency of 19 days that was within the audit plan.
- 3.3 Members receive regular reports on the audit work completed and a year-end report on the achievement of the audit plan will be presented to the 26 March 2013 Audit Committee.

#### Changes Proposed

AREA	CHANGE IN DAYS	REASON
Transportation	-9	A report on Transportation was presented to the Audit Committee on 13 June 2012. The service manager is happy that there are no areas of concern within her division.
Land Charges	-5	Not considered a high risk audit area. Income is monitored
I.T. Services	-5	15 days is still available to undertake the core audit on IT security.

AREA	CHANGE IN DAYS	REASON
Building Control	-7	Considered a low risk area that can be deferred. Income is monitored as part of the budget process.
Health & Safety	-8	2 days is still available to sample check procedures. An audit officer is an active member of the Health & Safety working group.
Income Collection	-7	Income is closely monitored through the budget process. 3 days is available to review income collection generally as part of the debtors audit.
Recruitment	-8	The recruitment audit has been completed and reported to Members by the Performance & Risk Manager whose time does not affect the audit plan. The follow-up work will also be completed by him allowing 8 days to be placed back into the audit plan contingency.
General	-2	The remaining two days can be saved by reducing the amount of time spent across the remaining audit areas by small amounts.
Contingency	+8	For any special requests from service managers or where further work is required.
<b>Total</b>	<b>- 43</b>	Reduction in the audit plan

#### 4 RISK IMPLICATIONS

- 4.1 If the audit plan is not completed there is a risk that independent assurance of controls cannot be provided on a particular area. The changes proposed in this report mean that high risk or core financial systems will continue to be audited at the same level as originally planned.

#### 5 RESOURCE IMPLICATIONS

- 5.1 Any reduction in resources within Internal Audit has a direct impact on the completion of the audit plan.

#### 6 RECOMMENDATION

- 6.1 It is proposed that the Committee **RESOLVES**

That the revised audit plan for 2012/13 be agreed.

Yvonne Woodward

Head of Finance

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**Background Papers:-**

None.

For further information please contact Tracey Metcalf on:-

Phone: 01702 318031

Email: [tracey.metcalf@rochford.gov.co.uk](mailto:tracey.metcalf@rochford.gov.co.uk)

If you would like this report in large print, Braille or another language please contact 01702 318111.