
PROGRESS ON THE 2013/14 INTERNAL ANNUAL AUDIT PLAN

1 SUMMARY

- 1.1 The annual audit plan for 2013/14 was presented to the Audit Committee on 26 March 2013 for Member's approval. Progress on the plan is reported here for Members' consideration.

2 INTRODUCTION

- 2.1 As a result of a reduction in the resources within the audit section some changes need to be made to the audit plan.

3 CHANGES TO THE 2013/14 AUDIT PLAN

- 3.1 The majority of the audit plan will stay the same, especially with regard to the requirements of the external auditors and the core financial audits. The housing benefit subsidy claim work has already been completed, which saves the Council money as a result of reducing the fee charged by the external auditors to undertake this work. The time allocated for the housing benefit subsidy claim work increased from 35 days to 39 days due to a number of queries. The external auditors have requested additional testing on these areas, which is being undertaken by the Revenue and Benefits department.
- 3.2 The Administrative Assistant, who increased her hours from 23 to 37 hours per week to help cover the maternity leave of two officers, was successful in her application as the Head of Finance's PA, and has taken up that post. The loss of her time will impact on the audit plan as the intention was for her to cover audit work at the later part of the year when the Performance Officer returned from maternity leave, which occurred on 17 September 2013. The Audit Officer is not due back from her maternity leave until April 2014. The loss of time to the audit plan will be approximately 45 days.
- 3.3 The proposed changes to the audit plan are listed in the table below. Where possible, the areas that are affected are limited to low risk areas or areas where some work has been undertaken without any significant risks arising. Also we have sought assurance from the Heads of Service that they are satisfied with the controls and procedures within their areas, for particular procedures, and that there are no risks that require internal audit's attention.

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 March 2014 Audit Committee. Appendix 1 shows the revised audit plan for 2013/14.

Table of Proposed Changes

AREA	DAYS	REASON
Leisure Service Review	-17	The APM had allocated time to be part of the Leisure Service Review but this was undertaken by the Review Committee and the Leisure Service's Team.
Partnership Working	-7	A review of the South East Essex Parking Partnership and the Thames Gateway South Essex – Housing Strategy Forum has been reported. The Strategic Partnership Officer is undertaking an overview of all partnerships and working groups for RDC.
Pro-Active Checks	-13	The Administrative Assistant undertook checks on a number of small areas such as: Flexi-forms, Inventories, telephones. As a result of reduced resources the APM has sought assurance from the service areas directly that they are happy with the procedures they have in place.
Contract Procedures	-7	No further work will be undertaken in 2013/14 unless an issue arises.
Contingency	-10	Reduced from 16 days
Public Sector Internal Audit Standards	+11	The work around reporting our compliance with the new standards was not included in the Annual Audit Plan. A report is submitted to this Committee.
	-2	The remaining days will be found from efficiency savings across all the remaining audits plus a small contingency will still be held.
Total	-45	Reduced Audit Plan Days

4 AUDIT & PERFORMANCE MANAGEMENT SURVEY

- 4.1 An electronic survey was sent to 22 senior managers at the Council asking if they generally agreed or disagreed with eighteen statements about internal audit, performance management and risk management in relation to communication, quality of service and added value.
- 4.2 Fourteen managers responded to the questionnaire and no one strongly disagreed with the statements. 85% of the respondents strongly agreed or

agreed to the statements made with 100% agreeing to “There is an effective overall working relationship between APM and my Division or Service Area”.

- 4.3 The only concern is around including the middle managers more with the planning and feedback of audit and performance work. Aspects of this have already been addressed in 2013/14 and remaining issues will be addressed as part of the work plan for 2014/15.

5 RISK IMPLICATIONS

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 means that high risk or core financial systems will continue to be audited at the same level as originally planned.

6 RESOURCE IMPLICATIONS

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

7 RECOMMENDATION

- 7.1 It is proposed that the Committee **RESOLVES**
That the revised Audit Plan for 2013/14 be agreed.

Yvonne Woodward
Head of Finance

Background Papers:-

None.

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

APPENDIX 1

REVISED ANNUAL AUDIT PLAN 2013/14

AUDIT AREAS	Planned Audit Days	Used Audit Days	Revised Audit Days
Annual Governance Statement	28	14	28
<i>Public Sector Internal Audit Standards</i>		9	11
Anti Fraud & Corruption	10	8	10
<i>Performance Management & Risk</i>	10	6	8
Cash & Banking*	15	1	15
Bank Reconciliation*	5		5
Creditors*	12	10	13
Debtors*	12	2	12
Investments*	5		5
Main Accounting System*	5	3	5
Payroll & Expenses*	15	11	15
Castle Point BC Payroll*	5	0	5
<i>Risk Management Controls</i>	5	1	2
Elections – ECC (Ballot Paper Verification)	5	5	5
<i>Contract Procedures</i>	10	3	3
IT Services – Security & Access*	12	3	10
<i>Leisure Services</i>	20	3	3
Revenues & Benefits – Council Tax*	17	11	17
Revenues & Benefits – Business Rates*	18	9	18
Revenues & Benefits – Subsidy claim check*	35	39	39
Revenues & Benefits – Housing Benefits*	20	6	20
<i>Pro-Active Checks</i>	18	5	5
Audit Advice & Follow-up	18	5	18
<i>Partnership Review</i>	10	3	3
<i>Contingency</i>	16	0	6
TOTAL	326	157	281

* Core Financial Audits As Defined by External Auditors

Italics shows the key areas of change