
PROGRESS ON THE 2015/16 INTERNAL AUDIT PLAN

1 PURPOSE OF THIS REPORT

- 1.1 The annual audit plan for 2015/16 was presented to the Audit Committee on 17 June 2015 for Members' approval. Progress on the plan is reported here for Members' consideration, in line with Internal Audit Charter.
- 1.2 The plan has been reviewed and it has become necessary to request approval for a change in the plan to reflect time available for the rest of the financial year.
- 1.3 During the year to date there have been over runs on planned audit time for some audit engagements. Additional unplanned audit work was required to carry out a data audit for the DVLA, work around safeguarding and providing assistance to Human Resources on a staff related matter.
- 1.4 There was an unplanned medical absence that utilised 14 of the original available audit days.

2 PROPOSED CHANGES TO THE 2015/16 AUDIT PLAN

- 2.1 A review of the days available has identified that available days for 2015/16 is reduced from 319 to 302.
- 2.2 Appendix 1 shows the proposed revision of the annual audit plan for 2015/16. All core financial audits are to remain in the plan in order to be able to provide an appropriate opinion on the standards of internal control at the end of the financial year.
- 2.3 There has been a significant learning requirement for the temporary officer. Although the quality of work is good it has taken longer than originally anticipated to progress audits. This has impacted upon the creditors, and anti fraud and corruption audits. It is proposed to allocate additional time to the audit work relating to cash and banking, main accounting and investments to more accurately anticipate the time required.
- 2.4 The additional audit work specified in paragraph 1.3 above has been allocated from the contingency time. There is still a contingency of 6 days to allow for urgent unplanned audit work.
- 2.5 It is proposed to defer direct audit work on contract management, following the revision in Contract Procedure Rules. Similarly, it is proposed to reduce time to be spent on risk management audit work on the basis that the corporate and directorate risk registers are currently under significant review. Please note that risks and controls from existing records and potential new risks are considered at the point of scoping individual audit engagements, in particular the core financial audits. The Revenues and Benefits Fraud Investigation team was transferred to the DWP at the end of September so there is no scope for Rochford to deal with benefit fraud so time has reduced within that allocated to the National Fraud Initiative.

- 2.6 Time spent on audit plan work is monitored on a monthly basis. Maternity cover for the Auditor commenced on 22 June 2015 and the gap between actual and target times has, with the exception of October where there was the period of sickness, narrowed progressively. It is anticipated that this progression will continue throughout the rest of this financial year.

	May	June	July	August	September	October
Actual	8.5%	12.61%	22.59%	32.61%	43.18%	50.03%
Target 97%	16%	24%	32%	40%	49%	57%

- 2.7 Members receive regular reports on the audit work completed at each meeting of the Audit Committee and a year end report on the achievement of the audit plan will be presented.

3 RISK IMPLICATIONS

- 3.1 If the audit plan is not completed there is a risk that independent assurance of controls cannot be provided on a particular area.

4 RECOMMENDATION

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

That progress on the annual audit plan be agreed and that the revised annual audit plan for 2015/16 be approved.



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Background Papers:-

None.

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APPENDIX 1

REVISED ANNUAL AUDIT PLAN 2015/16

AUDIT AREA	ORIGINAL PLANNED AUDIT DAYS	USED TO 6/11/15	REVISED PLAN TIME	Variance From Original
CORPORATE CONSIDERATIONS				
Corporate Governance The Accounts and Audit Regulations require an Annual Governance Statement to be published to provide assurance on systems of internal control and overall governance arrangements within the Council. Internal Audit is required to carry out an annual self assessment of its effectiveness against Public Sector Internal Audit Standards	26	7.54	25	-1
Anti Fraud and Corruption A review of anti fraud and corruption and whistle blowing policies and procedures throughout the Council.	10	13.45	15	5
FINANCIAL PROCESSES				
Cash and Banking*	12	1.18	17	5
Bank Reconciliation*	3	1.11	3	0
Creditors*	14	20.78	22	8
Debtors	15	9.43	15	0
Year End Sundry Debtors / Creditors Review	4	0.00	0	-4
Investments*	8	2.91	10	2

Main Accounting System*	8	4.32	10	2
Payrolls* (Completed)	20	16.69	17	-3
REVENUES AND BENEFITS PROCESSES				
Council Tax	17	10.20	17	0
Business Rates	20	2.94	20	0
Housing Benefits	15	1.59	15	0
Housing Benefits Subsidy Claim 2014/15 (Completed)	24	20.20	20	-4
National Fraud Initiative	10	0.27	3	-7
IT SERVICES – ICT Security and Access	8	2.40	8	0
OTHER				
Contract Procedures – Review a sample of contracts for effective management	5	0.00	0	-5
Income Collection – Review a sample of services areas to confirm collection of income due	10	7.73	8	-2
Procurement Procedures – Reviewing procedures for purchasing goods or services to ensure compliance with Financial Regulations (Completed)	10	8.92	9	-1
Housing / Homelessness Procedures	5	0.00	5	0
Risk Management Controls – Review of a sample of service areas to confirm stated controls to mitigate risk are in present and are effective	10	0.10	3	-7
Proactive and Reactive Checks –Includes Expenses Reimbursement, mileage claims, car park income, attending tender openings, etc.	5	3.01	5	0
Disabled Facility Grants	5	0.00	5	0
Partnership Arrangements	5	0.00	5	0

DVLA Data (Completed)	0	3.11	3	3
Safeguarding	0	2.50	5	5
OTHER TIME ALLOCATIONS				
Contingency Reserve	20	0.00	6	-14
Follow Up and Advisory Work – Update Committee reports, monitoring for implementation of recommendations,	15	5.87	10	-5
Special Investigations (Completed)	15	20.65	21	6
TOTAL PLANNED AUDIT DAYS	319	166.90	302	-17
Adjustments per sickness, other non audit plan time	17			
Adjusted Total Days	302			