

ANNUAL AUDIT PLAN PROGRESS REPORT

1 SUMMARY

- 1.1 Internal Audit is a statutory function under the Local Government Act 1972 Section 151. The following report provides Members with the opportunity to monitor the progress of the Internal Audit Plan for 2008/09.

2 INTRODUCTION

- 2.1 This Committee agreed the Audit Plan on 18 March 2008. The Plan provided an outline of the work the Auditors would be undertaking over the coming year. The Plan included a contingency for audit areas that arise during the year. These can be generated by a request from managers or as a result of changes to systems. The time allocated to each audit area is based on an informed judgment, but some variation may occur as the work and understanding of the area progresses.

3 Progress on the 2008/09 Audit Plan

- 3.1 The following table shows a comparison of the percentage of the Audit Plan completed for the seven months of 2008/09 to 31/10/08, compared to 2007/08. The audit plan is slightly behind the pro rata position required to meet the annual target of 97% but should still meet the target by the end of March 2009. The comparison shows we are significantly ahead on last year's time.

Quarter	1	2	To End October	3	4
2007/08	16.80%	34.96%	41.97%	58.13%	89.24%
2008/09	23.14%	44.48%	50.99%	-	-

3.2 Changes to the 2008/09 Audit Plan

The 2008/09 Audit Plan is shown in Appendix 1 with a breakdown of actual audit days used to date and known and proposed revisions in relation to the original planned time allocation. Additional days are available to the Audit Plan because of low sickness levels and using non-Audit staff.

Changes to time allocations have occurred over the course of the year. Areas that have been introduced into the Audit Plan requiring significant allocation include the Disabled Facilities Grants review (brought forward from 2007/08 Plan), reconciliation of the Housing Rent Account (HRA) to General Ledger to assist in the Final Accounts process and involvement in the implementation of a revised Audit Commission Code of Conduct in relation to the 2008 National Fraud Initiative (NFI) data-matching exercise.

So far there has not been a need to make any major changes to the Audit Plan as time has been available through use of the contingency and some adjustment of individual audit assignments to suit the level of work required, which is detailed in Appendix 1.

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 that was considered to be high risk or a core financial system.

5 RECOMMENDATION

- 5.1 It is proposed that the Committee **RESOLVES**
That progress on the 2008/09 Audit Plan be noted.

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Background Papers: -

None

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If you would like this report in large print, Braille or another language please contact 01702 546366.

APPENDIX 1

ANNUAL AUDIT PLAN – CURRENT POSITION

AUDIT AREA	DAYS ORIGINALLY ALLOCATED	DAYS USED	REVISED ALLOCATION	REPORT No	COMMENTS
CORPORATE SYSTEMS					
Annual Governance Statement (AGS)	30	12	30	N/A	2007/08 AGS completed and reported to this Committee 5/6/08. Residual time will be used in preparatory work for that of 2008/09
Anti-Fraud & Corruption & Whistle Blowing	8	9	9	Report 2	Reported to Audit Committee 30/9/08 Additional day allocated from Consultation Process
Comprehensive Performance Assessment	25	7	12	N/A	Successful outcome of CPA inspection. Residual time will be used to monitor ongoing issues
Consultation Procedures	6	0	0		Low Priority – Time reallocated
Partnership Working	25	17	25	N/A	Ongoing Process of Review of effectiveness of current Partnership arrangements. Periodic Reports to this Committee.

AUDIT AREA	DAYS ORIGINALLY ALLOCATED	DAYS USED	REVISED ALLOCATION	REPORT No	COMMENTS
Performance Indicators	20	20	20	N/A	No Report. Final Data was included in document <i>“Our Performance Over The Past Year – Our Plans For The Future”</i> (June 2008)
Performance Management	10	4	10	N/A	Time allocated is management overview of process.
Risk Management	10	2	10	N/A	Risk Management reports periodically provided to this Committee. Time allocated is management overview of process.
SUPPORT SYSTEMS					
Follow Up & Advisory	15	13	15	N/A	Ongoing items. Following up on outstanding recommendations, follow up testing and providing advice from service areas

AUDIT AREA	DAYS ORIGINALLY ALLOCATED	DAYS USED	REVISED ALLOCATION	REPORT No	COMMENTS
Proactive Checks	20	25	28	N/A	Ongoing Testing of a range of controls that do not warrant a full audit. These include inventory controls, telephone usage amongst others. Time allocated from gained administration time not originally in Annual Audit Plan
FINANCIAL SERVICES					
Cash & Banking	15	8	15		Core Audit – Periodic testing and data collection in advance of actual audit
Contractor Arrangements Within Finance	5	0	5		Banking contract due for review in 2008/09
Creditors	14	9	14	Report 11	Core audit. Report to be included in Audit Committee 4/3/09
Debtors	14	3	14		Core Audit – Periodic testing and data collection in advance of actual audit
Investment	6	0	6		Core Audit.
Main Accounting System	13	1	13	Report 9	Core audit. Report to be included in Audit Committee 4/3/09

AUDIT AREA	DAYS ORIGINALLY ALLOCATED	DAYS USED	REVISED ALLOCATION	REPORT No	COMMENTS
Payroll & Expenses	15	10	15	Report 10	Core audit. Report to be included in Audit Committee 4/3/09
VFM Car Mileage Usage	5	6	8	Report 4	Additional Time allocated from Service Reviews.
OPERATIONAL SERVICES					
Housing Benefits	25	3	25		Core Audit – Periodic testing and data collection in advance of actual audit
Housing Benefits Fraud Procedures	5	7	7	Report 7	Reported to Audit Committee 4/12/08. Additional time allocated from Consultation Process
Housing Rents	0	5	5	1 (2007/08)	Finalisation of Data required completing 2007/08 Audit Assurance. Detailed in Housing Rents Audit reported to this Committee 5/6/08. Time taken from Original RHA allocation.
Council Tax	14	2	14		Core Audit – Periodic testing and data collection in advance of actual audit

AUDIT AREA	DAYS ORIGINALLY ALLOCATED	DAYS USED	REVISED ALLOCATION	REPORT No	COMMENTS
Contracts	15	18	18	Report 1	Scope of audit was wider than anticipated in view of the consideration being given to a new contractor database, as referred in the report placed before this Committee 30/9/08 Additional time allocated from Consultation Process
Disabled Facility Grants	0	13	13	Report 3	Not in Original Plan. Carried forward from 2007/08 and extended to include Rochford Home Maintenance Adaption Grants. Reported to this Committee 30/9/08 Time taken from original CPA timings
IT Security & Access	10	10	10	Report 8	Reported to Audit Committee 4/12/08
National Non-Domestic Rates (NNDR)	14	2	14		Core Audit – Periodic testing and data collection in advance of actual audit
Human Resources	10	0	10		
Elections	4	6	4	N/A	Verification of Ballot Papers for 2008 elections

AUDIT AREA	DAYS ORIGINALLY ALLOCATED	DAYS USED	REVISED ALLOCATION	REPORT No	COMMENTS
Document Imaging	5	5	5	Report 6	Reported to Audit Committee 4/12/08
Procurement	10	0	10		
Car Parking	8	0	8		Review of revised parking legislation and its implementation
Rochford Housing Association	6	0	1		
Service Reviews / Value for Money	40	6	37		Time allocated to VFM Review Car Usage
Property Maintenance		(6)			Ongoing Review of process.
Sickness Reporting		(0)			Ongoing review of process
Contingency	20	5	20		
HRA Reconciliation		(3)	-	N/A	Reconstruction of HRA/General Ledger reconciliation. Detailed in Housing Rents Audit Report 1 (2007/08) reported to this Committee 5/6/08

AUDIT AREA	DAYS ORIGINALLY ALLOCATED	DAYS USED	REVISED ALLOCATION	REPORT No	COMMENTS
Data Matching Code of Practice / NFI Data Collection 2008		(2)	-	N/A	Revised code of practice required interpretation and implementation to ensure all required data was submitted on time for the 2008 NFI data match by the Audit Commission
TOTALS	442	228	450		