



AGENDA ITEM: 8

AUDIT AND GOVERNANCE COMMITTEE:

26 March 2013

Report of: Borough Treasurer

Relevant Managing Director: People and Places

**Contact for further information: Mr M.Coysh (Extn. 2603)
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SUBJECT: INTERNAL AUDIT ACTIVITY TO MARCH 2013

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To report progress against the 2012/13 Audit Plan.

2.0 RECOMMENDATION

2.1 That Members note progress in the year to date and direct any questions to the Internal Audit Manager who will be present at the meeting.

3.0 BACKGROUND

3.1 This Committee approved the 2012/13 Internal Audit Plan and resolved that a written report be brought back quarterly to enable progress against it to be monitored.

4.0 INTERNAL AUDIT ACTIVITY TO DATE

4.1 A report summarising progress in the fourth quarter is attached and the Audit Manager will be present to answer questions in relation to it.

4.2 At the time of writing there were no significant issues arising from Internal Audit's work in the quarter that would merit being drawn specifically to the attention of Audit and Governance Committee. Any issues arising from work completed after

this update will be included in the Annual Report brought to this Committee in June.

5.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder. The report has no significant links with the Sustainable Community Strategy.

6.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 6.1 All the activity referred to in this report is covered by existing budget provisions.

7.0 RISK ASSESSMENT

- 7.1 This report summarises progress against Internal Audit's work programme for the year. Internal Audit activity is a key source of assurance to this Committee that risks to the Council's overall objectives are being properly managed.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

1. Internal Audit fourth quarter update report.

Internal Audit Update Report 2012/13 to date

Progress against the Plan

| Title | Position |
|--|-----------------------------------|
| Annual Governance Statement | Planned Work Complete |
| Shared and Contracted Services | Planned Work Complete |
| MSR and OR implementation | Planned Work Complete |
| Data Management | Planned Work Complete |
| ICT | Review of contract implementation |
| Matrix | Planned Work Complete |
| Human Resources | Planned Work Complete |
| Performance Management | Planned Work Complete |
| Corporate Health and Safety | Planned Work Complete |
| Business continuity | Planned Work Complete |
| Contract Audit | Work in progress |
| QL Procurement | Planned Work Complete |
| Procurement through Official Order | Planned Work Complete |
| Benefits | Work not commenced |
| Council Tax | Work in progress |
| NNDR | Work not commenced |
| Debtors | Planned Work Complete |
| Creditors | Work in progress |
| Right to Buy / Housing Act Advances | Work in progress |
| Accounting Controls | Work in progress |
| Payroll | Planned Work Complete |
| Rents | Planned Work Complete |
| Treasury Management | Work in progress |
| Fees and Charges | Work in progress |
| Housing Stock Maintenance | Work in progress |
| Q.L (Housing Management system) | Planned Work Complete |
| Cash to Leave and Transfer Incentive Schemes | Work in progress |
| Licensing | Planned Work Complete |
| Depot | Work in progress |
| Transport | Work in progress |
| Community Safety CCTV | Work not commenced |
| Leisure | Planned Work Complete |
| Customer Services | Planned Work Complete |
| Strategic Asset Management Plan | Work in progress |
| Building Control | Planned Work Complete |
| Estates and Valuation | Work in progress |
| National Fraud Initiative | Planned Work Complete |
| Money Laundering Controls | Planned Work Complete |
| Anti Fraud and Corruption Policy and Action Plan | Planned Work Complete |

There are no formal investigations in progress at this time

| Summary | |
|------------------------------------|-----------|
| Planned Work Complete | 22 |
| Audits in progress | 13 |
| Reviews of contract implementation | 1 |
| Work not yet commenced | 3 |
| | |
| | |
| Total | 39 |
| | |

COMMENTARY

This report was prepared in advance of the year end to meet committee deadlines and is based on best estimates of progress.

Adequate resources to fulfil the plan were secured part way through the year by approval to fill a vacancy which arose at the start of the financial year on a temporary basis. The reduced resources available early in the year had an impact on the work of the section but satisfactory progress has been made following the introduction of the temporary resource which will carry forward into May.

This work will inform the overall opinion relating to the system of internal control in the Internal Audit Annual Report.

Management have agreed action plans to secure improvement in relation to any issues identified by work from the plan to date.

At the time of writing there were no significant issues arising from Internal Audit's work in the quarter that would merit being drawn specifically to the attention of Audit and Governance Committee. Any issues arising from work completed after this update will be included in the Annual Report brought to this Committee in June.

CONCLUSION

By the end of the fourth quarter 36 out of 39 items (92%) from the plan are complete or in progress. This is a similar position to the final quarter of the previous plan when 24 out of 26 (92%) of items were in progress or completed.

Given that the resources required to complete the plan were not profiled evenly across the year this represents excellent progress for the year and it is anticipated that the plan will be complete before the expiry of the resources allocated for it.