

PROGRESS AGAINST THE 2012-13 AUDIT PLAN

1. INTRODUCTION

- 1.1 The purpose of this report is to inform members of the Audit Committee of progress made against the 2012-13 audit plan, which was approved in July 2012.

2. INTERNAL AUDIT PLAN 2012-13 KEY POINTS

- 2.1 Appendix 1 shows the progress made against the audit plan. Progress is demonstrated by recording the current status of each audit at the time of putting this report together (30th January 2013), together with estimated timings of future work.
- 2.2 Where audits have been completed, the assurance level and number of agreed recommendations made have been shown. (The Audit Strategy provides a description of assurance levels).
- 2.3 The estimated number of days to complete the audits scheduled for quarter 4 total 209 days. The work commenced in Quarter 3, not yet completed, is estimated to take a further 30 days to finalise. There should be sufficient resource days to 31st March 2013 to complete the 12/13 plan at this time.
- 2.4 Appendix 2 lists audit work, where the outcome will not result in an issued report, therefore assurance levels will not be provided. These areas include such as advice and project work. If any concerns were raised during this area of the Auditors' work, the Section 151 Officer and Audit Committee would be informed as necessary. This may result in a request to amend the audit timetable or audit coverage. There are currently no requested changes to be made to the audit coverage for 2012-13.

3. OTHER DEVELOPMENT WORK

- 3.1 As at 1st November, our External Auditor changed to Ernest & Young. Internal Audit and the Officers from Ernest & Young have met and will continue to discuss our working approach and timetable of works. Further details will become available at the next Audit Committee meeting. It is hoped that a new joint working protocol will be developed and agreed ready for the new financial year. Internal Audit will continue to provide information to the External Auditor to avoid any duplication of work.
- 3.2 A new assurance framework is being developed and will be issued to the Audit Committee in March. The aim of this framework will assist Committee members in understanding what the Internal Auditor has used to provide the year end opinion. This opinion will also be used towards the completion of the Annual Governance Statement.
- 3.3 Internal Audit works towards standards as set out in the Cipfa Code of Practice for Internal Auditor. New external standards; Public Service Internal Audit Standards, (PSIAS) come into force from 1st April 2013. Internal Audit are reviewing these new standards to ensure the team will be complaint from April 2013.

3. FINANCIAL IMPLICATIONS & CRIME AND DISORDER IMPLICATIONS

- 3.1 Although there are no direct financial implications arising from this report, however inadequate coverage may result in areas of control weaknesses not being identified with the raised

potential for fraud and adverse comment from the External Auditor with regards to the level of assurance that can be placed on the work of the internal audit team.

4. ENVIRONMENTAL MATTERS & EQUALITY AND DIVERSITY IMPLICATIONS

4.1 There are no matters arising directly from this report.

5. RECOMMENDATION

5.1 The Audit Committee note the content of the report and approve the timetable and any changes to the audit plan.

For Further Information Please Contact:

Lucinda Upton
Internal Audit Manager
Tel: (023) 8028 5588
E-mail: lucinda.upton@nfdc.gov.uk

Background Papers:

Internal Audit Plan 2012/13
Audit Committee - July 2012

Audit Plan Timetable and Performance

Audit Area	Q1 - Q3 Status	Q4	Assurance level	Number of Recommendations			
				High	Medium	Low	VFM
Continuous Monitoring	Ongoing		n/a	n/a	n/a	n/a	n/a
Benefit Subsidy Claim Testing	Completed		n/a	n/a	n/a	n/a	n/a
Licensing	Completed		Reasonable	5	9	0	0
Rent accounting	Completed		Reasonable	3	12	1	0
Council Tax	Completed		Reasonable	2	7	4	0
Refuse	Completed		Reasonable	2	7	1	0
Write Offs/Ons	Completed		Limited	3	8	5	0
Accounts Receivable	Completed		Limited	2	9	5	0
Treasury Management	Completed		Reasonable	0	0	3	0
Payroll	Draft						
PCI - DSS	Draft						
Main Accounting	Draft						
Bank Reconciliations	WIP						
Accounts Payable	Draft						
Income	WIP						
Housing Benefits	WIP						
National Non Domestic Rates	WIP						
Vehicle and Plant Maintenance	WIP						
Building Maintenance	WIP						
Building Control	WIP						
Leader		Completed	n/a	0	0	0	0
VAT		WIP					
H&L Centres		WIP					
Experian		WIP					
Asset Management							
Personnel/HR							
Development Control							
Health and Safety							
Risk Management							
Insurance							
Business Continuity							
Partnerships							
Governance Review							
Community Safety							
Procurement							
Contract Audit							
Engineering Works							
Safeguarding							
Delegations							

Audit Plan Timetable and Performance

ICT Audit							
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Audit Work	Comment
Advice and Liaison	
Audit Commission/Ernest & Young (External Audit)	Ongoing liaison throughout the year
Authorised Signatories	Ongoing - providing advice for managers
Contracts Advice	Ongoing - providing advice for managers
Waivers	Ongoing - providing advice for managers and EMT. Report issued for 11/12
Projects/Policy Review	
Bank Implementation	Change substantially complete for NDFC and NFNPA
Contract Project	Ongoing project support. New policy drafted, to be provided to Audit Committee once finalised.
Financial Regulations	Not yet commenced - anticipate a team to review and develop a new policy
Corporate Projects (inc Ringwood Gateway, Housing, Estates & Valuations, Dibden Golf Course)	Project team reviews - Time spent on Housing project team to date
ICT - Audit Trails	Nothing yet commenced
New IT Systems & Agresso Development	ICT and Audit to work together on significant ICT changes to systems
Fraud/ Investigation Related	
Investigations	Any concerns will be separately reported, nothing to report to date
Banking - Irregularities	Ongoing - nothing to report to Committee as a concern
Fraud Training	Just commenced - to issue training documents and provide training.
Single Person Discount and Tenancy Fraud	Ongoing - Working with Benefit Investigations team. Any concerns will be reported to Committee
Telephone and Mobile Monitoring	Follow up queries made
Incident Reporting	New e-form template drafted. ICT to assist with its implementation onto Forestnet
3 Party Contracts	
3rd Party Contracts	Ongoing - all Town Council work completed. Partners are happy with performance to date.
Other	
Contingencies	Ongoing - any significant concerns will be reported
Non Productive Time	Includes training and corporate meetings.
Management	Ongoing

