

PERFORMANCE AND GOVERNANCE COMMITTEE – JANUARY 2012

INTERNAL AUDIT PROGRESS REPORT – QUARTER 2

Report of the: Director of Corporate Resources

Status: For Decision

This report supports the Key Aim of Effective Management of Council Resources

Portfolio Holder Cllr. Ramsay

Head of Service Head of Finance and Human Resources – Mrs. Tricia Marshall

Recommendations:

That this Committee note the contents of the report and the progress made by the audit team in delivering the 2011/12 Annual Internal Audit Plan

Introduction

- 1 This report summarises the audits issued during the year to date and the progress of the team in delivering the Annual Internal Audit Plan 2011/12

Summary of Issues Within the Report:

- 2 A summary of progress made towards achieving the assurance requirement is attached as Appendix A to this report. Appendix B provides a brief summary of each final audit report issued since the last meeting of the committee. Appendix C sets out the descriptions of the audit opinion for audit reviews.
- 3 The details on Appendix A set out progress to date against each audit in the Annual Internal Audit Plan for 2011/12, approved by the Performance and Governance Committee on 19 April 2011. Members may note that 16 reviews have commenced since the start of the year, with six reviews having been finalised. Four of the remaining ten reviews are due to be finalised shortly. Thus 64% of reviews within the original plan have either been completed or commenced; equivalent to 73% of the revised plan presented to this committee in September 2011.
- 4 Some progress have been made in clawing back time lost through sickness in the first two quarters; however resources have continued to be under pressure due to unplanned activities impacting on available resources. At the time of writing this report one Member of staff is on his fifth week of jury service. This clearly impacts on the ability to deliver the audit plan.

Staffing

- 5 The team commenced the year with a full staffing complement. However, long term sickness within the team and the impact of the call to the jury service of one member of staff have resulted in a drain in staffing resources which is impacting on service delivery. Thus it is likely that there would be a need to obtain additional temporary staffing resources from recruitment agencies in order to ensure delivery of the assurance requirements for 2011/12.

Partnership Arrangements

- 6 The shared services agreement with Dartford Council for the provision of Internal Audit and Anti-Fraud services is operating well at present. However, discussions are still ongoing regarding how the risk management function would be organised. Members of this committee would be given further details in due course.

Key Implications

Financial

- 7 This report has no additional financial implications.

Community Impact and Outcomes

- 8 Not applicable.

Legal, Human Rights etc.

- 9 This report has no additional legal implications save those relating to the Data Protection and Freedom of Information Acts.

Resource (non-financial)

- 10 There are no additional resource requirements impacting on this report.

Equality

- 11 There are no additional equality implications for this report.

Sustainability Checklist

- 12 Not applicable

Value for Money

- 13 There is no value for money implication.

Conclusions

- 14 The team is making good progress towards delivering the assurance requirements for 2011/12, despite the drain in resources caused by unplanned activities. This may give rise to the need to buy in temporary audit resources

from recruitment agencies. The Committee is requested to adopt the recommendation set out above.

Risk Assessment Statement

- 15 There is a risk that due to lost staff time, resources may not be adequate to complete the audit plan this year. Thus it may be necessary to buy in external resources to facilitate delivery of the assurance requirements for 2011/12.

Sources of Information: Internal Audit Annual Plan for 2011/12

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