

AUDIT COMMITTEE

23rd April 2008

Internal Audit Monitoring

Report of Internal Audit Manager

PURPOSE OF REPORT

To advise Members of the latest monitoring position regarding the 2007/08 Internal Audit Plan.

This report is public

RECOMMENDATIONS

(1) That the current monitoring position is noted.

1.0 Introduction

1.1 The 2007/08 Internal Audit Plan was approved by the Audit Committee at its meeting on 27 June 2007. This report gives a brief update on the final out-turn position for the year ended 31st March 2008. Full details and outcomes will be included in the Internal Audit Manager's Annual Report which will be presented to the Committee in June 2008.

2.0 Report

Progress With Planned Assignments

2.1 2007/08 Planned Work

2.2 The final position as at 31 March 2008 is set out in the table below, showing that 767 days were actually delivered on planned activity compared with the original plan of 840 days.

2.3 As reported in January, the main reason for the reduction in resources devoted to the Plan is lost productive time for all members of the section during the year, due mainly to the office removal from St Leonard's House to Lancaster Town Hall and time required in undertaking the Fair Pay Review process. In total, these have contributed to a loss of approximately 45 days of productive audit time.

Area of work	Resources (audit days)			Outputs (audit reports & opinions)	
	Planned	Actual	Variance	Planned	Actual
Core Financial Systems	100	101	+1	10-12 reports	13 reports
Core Management Arrangements	120	81	-39	8-10 reports	4 reports
Core Operational Systems	70	2	-68	6-8 reports	1 report
Risk Based Assurance Audits	200	208	+8	15-25 reports	19 reports
Follow-Up Reviews	70	38	-32		
Sub-Total, Assurance Work	560	430	-130	39-55 reports	37 reports
Consultancy Work	155	180	+25		
Investigations	35	85	+50		
Audit Management	45	63	+18		
Non Audit Duties	5	9	+4		
General Contingency	40	0	-40		
Total	840	767	-73		

- 2.4 As was reported in January, additional workload in other areas of the plan, especially in investigations, has had an impact on the level of resources devoted to assurance work. The total shortfall on assurance work is 130 audit days, representing a reduction of 23% on the approved Plan.
- 2.5 Nineteen audit reports had been completed and issued by 31st March 2008. As indicated in the notes to the table, a further eighteen reports are due to be issued in the next few weeks and will be available to inform the Internal Audit Annual Report and Assurance Statement. This total of thirty-seven reports is just below the lower limit of the range planned for the year
- 2.6 Under the category of “Core Operational Systems”, a change in emphasis and approach to IT audit has meant that much of this work is now being delivered through Core Financial Systems audits. This change will be reflected in future plans.

3.0 Details of Consultation

3.1 Not applicable

4.0 Conclusion

4.1 Changes in workload and staffing issues have led to a shortfall in resources applied to assurance work. Whilst performance in providing assurance has inevitably been affected, the plan has been managed to ensure that acceptable levels of assurance are provided to management and the Audit Committee. A full analysis of performance and outcomes will be included in the Internal Audit Manager’s Annual Report and assurance Statement which will be submitted to the June meeting of the Committee.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

Not applicable

FINANCIAL IMPLICATIONS

None arising from this report

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments.

LEGAL IMPLICATIONS

None arising from this report

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Internal Audit Plan 2007/08

Contact Officer: Derek Whiteway

Telephone: 01524 582028

E-mail: dwhiteway@lancaster.gov.uk

Ref: aud/comm/audit/080423