

AUDIT COMMITTEE

22nd April 2009

Internal Audit Monitoring

Report of Internal Audit Manager

PURPOSE OF REPORT

To advise Members of the latest monitoring position regarding the 2008/09 Internal Audit Plan.

This report is public

RECOMMENDATIONS

(1) That the current monitoring position is noted.

1.0 Introduction

1.1 The 2008/09 Internal Audit Plan was approved by the Audit Committee at its meeting on 25th June 2008 and a proposed schedule of potential assurance audits was approved on 24 September 2008. This report is based on the monitoring position up to 26 March 2009.

2.0 Report

2.1 2008/09 Planned Work

2.2 A monitoring report as at 26 March 2009 is attached as Appendix A. In summary, the position as that date was as follows:

Days originally planned (approved audit plan)	870.0
Days undertaken to 26 March 2009	870.7

2.3 The work undertaken includes sixteen jobs from the 2007/08 plan which were still in progress at 01 April 2008. Eighty-two days were spent in the current year on completing these jobs.

2.4 The final outturn position on the Audit Plan will be incorporated in the Internal Audit Manager's Annual Report and Assurance Statement, which will be submitted to the June meeting of the Committee. At the time of writing, the main points arising in terms of the plan are illustrated in the table below.

Area of work	Resources (audit days)			Outputs (audit reports & opinions)	
	Planned	To Date	Variance	Planned	To Date
Core Financial Systems	100	27	-73	8-10 reports	7 reports
Core Management Arrangements	125	126	+1	8-10 reports	5 reports
Risk Based Assurance Audits	250	276	+26	19-25 reports	14 reports
Follow-Up Reviews	45	62	+17		
Sub-Total, Assurance Work	520	491	-29	35-45 reports	26 reports
Advice & Support Work	105	144	+39		
Efficiency & VfM	100	0	-100		
Investigations	35	71	+36		
Audit Management	60	76	+16		
Non Audit Duties	10	89	+79		
General Contingency	40	0	-40		
Total	870	871	+1		

2.5 As can be seen from the table, the overall level of planned resources has been delivered, although there have been some significant variations across the areas in the plan. Changes in demand for Internal Audit work have been managed so as to ensure that an acceptable level of assurance work is delivered. Significant changes in the range of work undertaken have resulted from:

- Investigations arising in the final quarter, diverting resources from planned assurance work
- Under "Support Work", the major piece of work being undertaken by the Principal Auditor in the mapping and evaluation of the Council's significant partnerships. This has required 41 days work to date and will continue into 2009/10.
- Under "Non Audit Duties", the direct involvement of the Internal Audit Manager in the Fair Pay project in undertaking the pay modelling process. This role, which is ongoing, has required 74 days work which was not included in the original plan.
- Fair Pay has also required the most resource demanding piece of assurance work, accounting for 55 days so far. This work will also continue whilst the Fair Pay project is running.
- No work being undertaken on "Efficiency and VfM". This is mainly due to the above mentioned demands, being perceived as a lesser priority than the mainstream assurance work programme.

2.6 In terms of reports produced, the table indicates that, although the level of resources devoted to assurance work is only slightly below plan, the number of reports produced is more adrift. At the time of writing, 26 reports had been completed compared with the target of between 35 and 45. It should be noted, however that there are 19 audits currently in progress, a number of which are nearing the reporting stage. In a number of areas, ongoing audits have been stalled by the demand for investigations work. It is anticipated that a high proportion of these audits can be completed in time for the reports to be incorporated into the Audit Manager's Annual Assurance Statement in June.

3.0 Details of Consultation

3.1 Not applicable

4.0 Options and Options Analysis (including risk assessment)

4.1 The report is for information – no options are proposed.

5.0 Conclusion

5.1 Whilst the overall level of Internal Audit resources provided during the year is as planned, there have been a number of significant variations to the work areas covered by the 2008/09 Audit Plan. These have been managed to ensure that an acceptable level of assurance work has been delivered. A number of ongoing audits need to be brought to a conclusion in order to meet the target level for audit reports.

<p>CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</p> <p>Not applicable</p>	
<p>FINANCIAL IMPLICATIONS</p> <p>None arising from this report</p>	
<p>SECTION 151 OFFICER'S COMMENTS</p> <p>The Section 151 Officer has been consulted and has no further comments.</p>	
<p>LEGAL IMPLICATIONS</p> <p>None arising from this report</p>	
<p>MONITORING OFFICER'S COMMENTS</p> <p>The Monitoring Officer has been consulted and has no further comments.</p>	
<p>BACKGROUND PAPERS</p> <p>Internal Audit Plan 2008/09</p>	<p>Contact Officer: Derek Whiteway Telephone: 01524 582028 E-mail: dwhiteway@lancaster.gov.uk Ref: aud/comm/audit/090422</p>