

AUDIT COMMITTEE

Internal Audit Monitoring

18 April 2012

Report of Internal Audit Manager

PURPOSE OF REPORT

To advise Members of the outturn position regarding the 2011/12 Internal Audit Plan.

This report is public

RECOMMENDATIONS

(1) **That the outturn position for 2011/12 is noted.**

1.0 Introduction

1.1 The 2011/12 Internal Audit Plan was approved by the Audit Committee at its meeting on 29th June 2011. Adjustments to the plan were approved by the Committee at its meetings on 21st September 2011 and 15th February 2012. This report provides the outturn position as at 31st March 2012.

2.0 Report

Outturn Position as at 31st March 2012

2.1 A detailed outturn report as at 31st March 2012 is attached as Appendix A. In summary, the position as that date is as shown in the following table.

Area of work	Resources (days)			
	Outturn to 31/03/12	Approved Plan (15/02/12)	Original Plan	Variance
Assurance Audit				
Core Financial Systems	119	108	50	69
Revenues & Benefits Shared Services	113	107	85	28
Core Management Arrangements	28	30	110	-82
Risk Based Assurance Audits	203	192	105	98
Follow-Up Reviews	56	60	70	-14
Sub-Total, Assurance	519	497	420	99
Consultancy				
Support Work	38	40	30	8
Efficiency & VfM	0	0	30	-30
Ad-Hoc Advice	52	55	65	-13
Sub-Total, Consultancy	90	95	125	-35
Other Work				
Other Duties (Non-Audit)	20	15	15	5
Audit Management	69	61	55	14
Sub-Total, Other Work	89	76	70	19
Contingencies				
Investigations	9	9	30	-21
General Contingency	0	18	40	-40
Sub-Total, Contingencies	9	27	70	-61
Total	707	695	685	22

- 2.2 The summary shows that overall, a total of 707 days have been delivered compared with the approved plan of 695 days and the original plan of 685 days. This has largely been possible through a continuing good sickness record within the section and ongoing attention to procedures to ensure that “non-chargeable” time is minimised.
- 2.3 Within the main programme of assurance work, the audits of core financial systems and the Revenues and Benefits Shared Service exceeded the original plan by a total of 97 days. This reflects additional work required in developing and refining a new approach to these audits, covering all significant systems in this year and in establishing arrangements with Preston City Council to enable audit work to proceed.
- 2.4 There was also a significant re-focusing of resources (98 days) in to the Risk Based Assurance audit section of the plan, this arising mainly from the audits of the RMS Partnering Contact and the specific piece of work concerning the Hala Flats Pebbledashing job and also from the audit into Consultancy Commissioning and Procurement. These demands were managed in part through a reduction in resources (82 days) devoted to the Core Management Arrangements of the assurance work section of the plan.
- 2.5 Overall, 99 days more than originally planned were spent on assurance audit work. This shift in resources was mostly managed during the year through reduced time spent on: Efficiency & VfM (30 days); Investigations Contingency (21 days) and by use of the General Contingency (40 days).

3.0 Details of Consultation

- 3.1 Management Team has been consulted during the year in developing the plan.

4.0 Options and Options Analysis (including risk assessment)

4.1 Not applicable – the report is for noting.

5.0 Conclusion

5.1 The outturn position for the 2011/12 Internal Audit plan shows an increase in the number of audit days delivered and a significant increase in the level of assurance work. This has been made possible through reductions elsewhere in the plan, including a comparatively low demand for investigative work.

5.2 A full report on the delivery of the audit plan and the outcomes from audit work will be included in the Internal Audit Manager's "Annual Report and Assurance Statement" to the June meeting of the Audit Committee.

CONCLUSION OF IMPACT ASSESSMENT

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

Not applicable

FINANCIAL IMPLICATIONS

None directly arising from this report.

SECTION 151 OFFICER'S COMMENTS

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

LEGAL IMPLICATIONS

None directly arising from this report.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

Internal Audit Plan 2011/12

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