

**Meeting of:** AUDIT COMMITTEE

**Date:** 25 January 2006

**Report of:** INTERNAL AUDIT MANAGER

**Reference:** aud/audcomm/250106

**Title:** INTERNAL AUDIT MONITORING

## **PUBLIC/EXEMPT ITEM**

This item is for consideration in the public part of the meeting.

## **PURPOSE OF THE REPORT**

To inform the Audit Committee of progress with the 2005/06 Internal Audit Plan and seek approval for proposed adjustments to the remaining workload.

## **RECOMMENDATIONS**

1. That the monitoring report is noted
2. That the proposed adjustments to the remaining work programme, as set out in section 3 of the report are approved.

## **REPORT**

### **Background**

- 1.1 The Internal Audit Plan for 2005/06 was approved by the Audit Committee on 27 July 2005.
2. **Monitoring Position As At 22 December 2005**
  - 2.1 A detailed monitoring report, showing work undertaken to date against the plan, and estimated days remaining following a comprehensive review of all activity is attached as Appendix A.
  - 2.2 Good progress has been made with the majority of the plan. Additional work taken on by the Section includes a major input into the Council's Use of Resources Self-Assessment (36 days), providing support on procurement issues whilst the Procurement Officer is on maternity leave (15 days) and an increase in levels of advice being sought from the Section (20 days).
  - 2.3 The Section has also, as a one-off arrangement, been appointed to undertake the audit of the Poulton Neighbourhood Management's Use of Grant statement for 2004/05. This work is normally undertaken by the Audit Commission, but agreement has been reached with the Government Office for the North-West for it to be audited in-house. GONW has agreed to pay the Council for the five days allotted to undertake this work.

2.4 At 22 December 2005, it was estimated that there were 376 days work remaining in the plan. This compares with available resources of 253 days, including a provision for 10 days of bought-in audit resources. As at 22 December, therefore, there was a potential shortfall of resources of 123 days.

### 3. Proposals

3.1 Proposals for balancing the remaining workload are set out below:

Work Area / Project	Proposed Adjustment (Days)	Comments / Rationale
Financial Systems: <ul style="list-style-type: none"> <li>• Housing Benefits</li> <li>• Income Management</li> <li>• Job Management</li> <li>• Asset Management</li> </ul>	-70.0	The original plan catered for a challenging programme of documenting and testing all significant financial systems. Whilst this work has progressed well, it is no longer realistic to expect to complete the full programme in 2005/06. The work will be continued and completed in 2006/07.
Licensing	-14.0	In view of new arrangements and increased workloads arising from the Council's licensing responsibilities, it is proposed to hold this work to the 2006/07 audit plan.
Partnership Working	-20.0	A considerable amount of work has been done by the Section in recent years to help develop guidelines and a self-assessment tool for partnerships. It is proposed to pick up this particular audit early in 2006/07 to consider the effectiveness of partnership arrangements.
Fraud & Corruption Work	-20.0	Work has been undertaken during the year to put together a fraud & corruption risk register. The work planned is a combination of reviewing the Council's Anti-Fraud & Corruption Strategy and undertaking testing in the highest risk areas identified to date. It is proposed to postpone this work to the 2006/07 plan.
Total Adjustments:	-124.0	

### 4. Conclusions

4.1 The proposed adjustments relate to audit work that has not yet been started during the year. The adjustments are designed to ensure that remaining resources are devoted to key areas of work, particularly those connected with providing assurance on the internal control environment, corporate governance and the production of the annual Statement on Internal Control.

### FINANCIAL IMPLICATIONS

None arising directly from this report.

**LEGAL IMPLICATIONS**

Legal Services have been consulted and have no further comments.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer been consulted and has no comments to add

**SECTION 151 OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

Internal Audit Annual Plan