

AUDIT COMMITTEE

20 DECEMBER 2012

INTERNAL AUDIT WORK PROGRAMME

Report from: Internal Audit

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Summary

To advise Members of progress in delivering the approved 2011/12 and 2012/13 work programme, and probity and follow up work undertaken since the last Audit Committee Meeting.

1. Budget and Policy Framework

- 1.1 It is within the remit of the Audit Committee to take decisions regarding accounts and audit issues.

2. Background – 2012/13 Programme

- 2.1 Members approved the internal audit 2012/13 work programme on 29 March 2012 for year ending 31 March 2013. The programme is derived from a number of sources, which are:-
- The Council's risk identification process, identified through the risk register, business and service plans,
 - Internal audit's view of risk,
 - Work requested by Members, Chief Executive, Chief Finance Officer, directors and other officers,
 - Predetermined audits that form part of an agreed arrangement with the external auditor.
- 2.2 Audit work on the key financial systems, work carried out on behalf of the external auditor, corporate governance, risk management and prevention of fraud and corruption are considered key activities and are given priority when resources are allocated. The aim is that all of the key assurance audits will be completed to meet the needs of the governance statement and external audit.
- 2.3 Progress to date on the 2012/13 plan is set out at **Annex A**. Progress on follow-ups is recorded in **Annex C**.

- 2.4 The Audit Programme is reviewed in year to reflect any changes of priority in year. Any proposed changes are presented to the Audit Committee for approval.

3. Progress on 2011/12 Plan

- 3.1 **Annex B** records the final outstanding audit output from the 2011/12 Plan. The audit relating to Foster Payments will not now be finalised until further audit work has been undertaken in 2013/14 following the implementation of the new care IT system.

4. Progress on Probity Audit Programme

- 4.1 The probity audit programme has progressed well. Details of progress are recorded at **Annex D**.

5. Risk Management, Financial and Legal implications

- 5.1 There are no risk management, financial or legal implications arising directly from this report.

6. Recommendations

- 6.1 Members are asked to note the progress in completing the 2011/12 programme and delivering the 2012/13 audit plan and that all key assurance work will be completed to support the needs of the annual governance statement and external audit.

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Background papers

Internal Audit Work Programme 2012/13, 29 March 2012

<http://democracy.medway.gov.uk/ieListDocuments.aspx?CId=121&MId=2118&Ver=4>

Internal Audit Programme 2012/13					Annex A
Activity ↓	Authority Wide	Children and Adults	Regeneration Community and Culture	Health	Business Support
Key Financial Systems					
Council Tax (Quarter 4 2011/12 under new arrangements)					AC 09/12
NNDR (Quarter 4 2011/12 under new arrangements)					AC 09/12
Housing Benefit (Quarter 4 2011/12 under new arrangements)					AC 09/12
Council Tax					Q4
Housing Benefits					Q4
Housing Rents					Q4
NNDR					Q4
Other Financial Systems					
Procurement					Q4
Grant Management					F
Creditor Payments					Q4
Schools Financial Management		AC 12/12			AC 12/12
Risk Assessed Work					
Waste Management Contracts			DR		
Partnerships					
CRB	P				
Data Quality – Downturn in the Economy	DR				
IT External Assurances					AC 12/12
HR Data Security					AC 12/12
Events			F		
Parking			F		
Health				AC 12/12	

Internal Audit Programme 2012/13					Annex A
Activity ↓	Authority Wide	Children and Adults	Regeneration Community and Culture	Health	Business Support
Maintenance Contracts					
Asset Management - Divestments					
Project Management	AC 12/12				
Governance Audits					
Corporate Governance					Q4
Risk Management					Q4
Prevention of Fraud and Corruption					F
Carbon Reduction					F
Probity Reviews					
Schools Programme		13 reviews in progress or completed			

Internal Audit Programme 2011/12					Annex B
Activity ↓	Authority Wide	Children and Adults	Regeneration Community and Culture	Business Support Department	
Payroll processes in satellite sites				AC 12/12	
Personal Budgets		DR			

Key

AC = month & year reported to Audit Committee

DR = draft report issued

F = fieldwork in progress

P = audit in planning stage

Bold = audits are reported to this Audit Committee

Follow Ups Undertaken		Annex C
Follow Ups Undertaken	Date to Audit Committee	
Transport Procurement Unit	07/12	
Blue Badges (Interim)	07/12	
Rochester Christmas Market	03/12	
Markets Income	03/12	
Halling Primary School – Financial Controls	03/12	
Business Continuity (Progress Update)	07/12	
Temple Mill Primary School (as part of probity review)	07/12	
Housing Rents	09/12	
Markets Income 2 nd Follow up	09/12	
Rochester Christmas Market - update	09/12	
Civic Centre Fuel Pumps	12/12	
General Ledger	12/12	

Follow Ups Pending for “Uncontrolled” and “Insufficient” Audit Opinions	
Follow Up	Status
Business Continuity (Final)	Interim follow up completed. Full follow up not due.
Blue Badges (Final)	Interim follow up completed. Full follow up not due.
Corn Exchange – financial controls	Fieldwork

Probity Reviews 2012/13		Annex D
Review	Status	
Schools		
All Saints	AC 07/12	
St Margarets	AC 07/12	
Temple Mill Primary	AC 07/12	
St Peter’s Infant	AC 09/12	
Sherwin Knight Junior	AC 09/12	
Sherwin Knight Infant	AC 09/12	
Woodlands Primary	AC 12/12	
Woodlands Primary - Capital Work	AC 12/12	
The Howard	AC 12/12	
The Howard – property scheme	AC 12/12	
St Michaels	AC 12/12	
Temple Mill Primary (post probity review)	AC 12/12	
Saxon Way Primary	Fieldwork	