

AUDIT COMMITTEE

21 MARCH 2013

INTERNAL AUDIT WORK PROGRAMME

Report from: Internal Audit

Author: Alison Russell, Audit Services Manager

Summary

To advise Members of progress in delivering the approved 2011/2012 and 2012/2013 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 2012/2013 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 2012/2013 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 2011/2012 Plan

3.1 **Annex B** records the final outstanding audit output from the 2011/2012 Plan.

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 2011/2012 programme and delivering the 2012/2013 audit plan and that all key assurance work will be completed to support the needs of the annual governance statement and external audit.

Lead officer contact

Name Alison Russell
Job Title Audit Services Manager
Telephone: 01634 332355
Email: alison.russell@medway.gov.uk

Background papers

Report to the Audit Committee 29 March 2012 'Internal Audit Work Programme 2012/2013'

<http://democracy.medway.gov.uk/ieListDocuments.aspx?CId=121&MId=2321&Ver=4>

Annex A					
Internal Audit Programme 2012/13					
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					F
Housing Benefits					F
Housing Rents					DR
NNDR					F
Other Financial Systems					
Procurement					F
Grant Management					DR
Creditor Payments					DR
Schools Financial Management		AC 12/12			AC 12/12
Risk Assessed Work					
Waste Management Contracts			AC 03/13		
Partnerships	P				
Data Quality – Downturn in the Economy	AC 03/13				
IT External Assurances					AC 12/12
HR Data Security					AC 12/12
Events			AC 03/13		
Parking			DR		
Health				AC 12/12	
Maintenance Contracts	P				

Annex A					
Internal Audit Programme 2012/13					
Activity ↓	Authority Wide	Children and Adults	Regeneration Community and Culture	Health	Business Support
Project Management	AC 12/12				
Academies – LA governance arrangements		DR			DR
Governance Audits					
Corporate Governance					Q4
Risk Management					F
Prevention of Fraud and Corruption					DR
Carbon Reduction					F
Probity Reviews					
Schools Programme		13 reviews completed			

Annex B				
Internal Audit Programme 2011/12				
Activity ↓	Authority Wide	Children and Adults	Regeneration Community and Culture	Business Support Department
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

Annex C	
Follow Ups Undertaken	
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
Corn Exchange – financial controls	03/13

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.
Schools Bank Accounts	Full follow up not due
Debtors	Full follow up not due

Annex D	
Probity Reviews 2012/13	
Review	Status
Schools	
All Saints	AC 07/12
St Margaret's	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 RC Primary	AC 12/12
Temple Mill Primary (post probity review)	AC 12/12
Saxon Way Primary	AC 03/13