

Report

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Report to:	Risk and Audit Scrutiny Forum
Date of Meeting:	16 December 2010
Report by:	Executive Director (Finance and Information Technology Resources)

Subject:	Audit Performance at end November 2010
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Highlight audit performance as at 30 November 2010

2. Recommendation(s)

2.1. The Forum is asked to approve the following recommendation(s):-

- (1) that the postponement of the Roads Costing assignment is approved
- (2) that other performance is noted

3. Background

3.1. Regular reports are presented to the Forum showing performance in delivering the approved Internal Audit Plan and key performance targets. The Internal Audit section delivers all work in line with the Code of Practice for Local Authority Internal Audit.

4. Performance

4.1. Internal Audit has set a target to complete all audit assignments to a draft stage by end April 2011. Table One below shows that over 40% of the plan has already been completed to draft.

Table One

Status of Internal Audit Plan 2010/11	Number of jobs	Percentage
Completed to final or draft	36	41%
Work in progress	34	39%
Yet to start	17	20%
Total	87	100%

4.2. Although the level of work in progress seems high there are a number of client related explanations for this. The key system used by Education Resources, SEEMIS, prohibits access by any person who is not employed by Education Resources. Whilst this is a good local control, it is causing some delay to delivery of audit assurance work. The service is working with IT Services to allow auditors to have "read only" access. Also in Education Resources, schools inventory checks were delayed in order to keep cluster co-ordinators informed. Fraud awareness

training for the culture and leisure trust has been delayed at their request and the lack of an up to date contracts register has delayed planned contract analysis work.

- 4.3. Enterprise Resources has requested that a Roads Costing assignment is postponed until 2011/12. This is because of interface issues between the costing system and the IProc (electronic procurement) system. Some issues have also caused stock values to be mis-calculated. All issues are being dealt with by the project team and will result in system reconfigurations, short term manual and retrospective automated adjustments. It is expected that these will be completed by the end of the financial year but until then an audit would not be testing the system as it is designed to work. The Forum is therefore asked to approve this change.
- 4.4. No other changes are proposed to the current year plan as all are agreed with clients or relate to top risk areas. A list of the assignments which have yet to start follows;
- Housing Revenue Account
 - Information Governance
 - Six paid for by external clients, mostly now year end reports
 - Follow-up and planning for next year
 - Chargeable income analysis
 - VAT on taxi contracts
 - Two Benefits assignments
 - Purchase cards
 - Use of consultants
- 4.5. Other performance data is included in Appendix One. 81% of assignments have been completed within 21 days of fieldwork completion and 77% are within budget.

5. Employee Implications

- 5.1. A request has been filed to fill two vacancies, one for an advisor who is on maternity leave and the other for a part time post relating to an auditor who also opted to return only part-time from her maternity leave.

6. Financial Implications

- 6.1. The section has a net revised budget of £505,039 for 2010/11. At the end of period eight there was an underspend of £36,112, mainly due to vacancies.

7. Other Implications

- 7.1. There are no new risks attached to delivery of the audit plan.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. There is no requirement to undertake an equality impact assessment. Clients are consulted on all audit assignments prior to release.

Archie Strang
Chief Executive

29 November 2010

Link(s) to Council Values and Objectives

Improvement Theme: governance and accountability

Previous References

Internal Audit Plan 2010/11 approval report to Risk and Audit Scrutiny Forum February 2010

List of Background Papers

Figtree system extracts

Audit assignment files

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Joan Allan, Risk and Audit Manager

Ext: 5957 (Tel: 01698 455957)

E-mail: joan.allan@southlanarkshire.gov.uk

Key audit performance indicators 1 April to end November 2010 (*)

Appendix One

Indicator	Numbers	Percentage	Target	Comment
Assignments delivered within budget	59/77	77%	80%	Most over budget jobs were those brought forward from last year. For this year's planned jobs performance is 90% within budget.
Draft reports delivered within 21 days of fieldwork completion	43/53	81%	80%	Most over-runs were marginal.
Audit plan completed to draft by 30 April 2010	36/87	41%	100% by 30.04.11	Reasonable progress.
Audit recommendations delivered on time	147/234	63%	80%	89% of external and 62% of internal actions delivered on time. Most outstanding actions relate to fuel and waste management, use of Income Management and IProc for catering units, procurement and project management.
Time taken to finalise draft reports with clients (Target 5 weeks)	43/62	69%	100%	As well as slower moving investigative jobs recent delays include Social Work Resources access checks and child protection cases and SLL's travel expenses.

* Report was prepared prior to the end of November 2010 so some figures may be subject to change.