

Division(s): N/A

AUDIT COMMITTEE – 21 September 2011

INTERNAL AUDIT PLAN – QUARTER 3 2011/12

Report by the Assistant Chief Executive and Chief Financial Officer

INTRODUCTION

1. The quarter 3 plan for Internal Audit is attached as annex 1 to this report.
2. Whilst the first six months have focussed on the areas of risk identified after consultation with the Directors and their Leadership Teams; the main scope of the audit activity in the remaining quarters is the annual assurance activity, i.e. the Key Financial Systems and the Governance and Financial Management Framework.
3. Contract Audit activity has increased in 2011/12, reflecting the size of council spend on contracts and procurement. A strong focus will remain on the Highways contract, but over the next two quarters the audit scope will be extended to look at contracts and contract managements in the other Directorates.
4. Attached as Annex 2 is the status of audits planned in Q1 and Q2. By the nature of audit activity it will always be the case that the activity crosses over quarters.
5. The Internal Audit Strategy approved by the Committee is March 2011 includes the further collaboration with Buckinghamshire County Council and the implementation of audit project management software, and action tracking software. In July 2011, Audit Management time is now shared across Buckinghamshire and Oxfordshire, and in September, following vacancies in both Councils; we will be seeking to undertake the joint recruitment of audit staff. There is no further progress with the implementation of the audit project management software. The application is currently not fully compliant with Windows 7. The action racking software has been purchased and we are currently working on the configuration. The plan is to have the software operational during Q3, with the first report generated for the AWG at their January meeting.
6. In March 2011 the Audit Committee approved the Audit Strategy, including a resource plan to deliver 1214 days on operational audit activity. Despite the loss of two staff since the beginning of the year, there has been no impact on the total days to be delivered; however, in the interim we have increased the reliance on Deloitte for providing audit resources, whilst options are being considered for the recruitment of new staff.

7. For the remaining six months we are planning to deliver approximately 620 days, of which 320 days will be in house staff, and 300 will be contract staff.
8. **RECOMMENDATION**

The Committee is RECOMMENDED to:

- (a) approve the Quarter 3 Internal Audit Plan; and**
- (b) note the progress with the Quarter 1 and 2 activity.**

Ian Dyson
Assistant Head of Finance (Audit)

Background papers: None.

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