

Open Report on behalf of Pete Moore, Executive Director Resources & Community Safety

Report to:	Audit Committee
Date:	19 March 2012
Subject:	Corporate Audit Progress Report to 31 January 2012

Summary:

This report provides an update on progress made against the Audit Plan 2011/12 as agreed by the Committee on 21 March 2011 and 26 September 2011.

Recommendation(s):

That the Committee notes the outcomes of Corporate Audit work and identifies any actions it requires.

Background

- This report:
 - Advise on progress being made against the Audit Plan
 - Provide details of the audit reports issued during the period

Progress with Planned Audits to 31 January 2011

- The following audit reports have been issued as a final report:

Substantial Assurance
Adult Services Shaping Care 21 st Century
Resources Procurement Lincolnshire - management assurance obtained

The number of audits completed to final report stage is lower than normal, however, the Committee should note that:

- 5 audits have been completed to draft report stage, 3 of which have an indicative opinion of limited assurance
- 18 audits are in progress, this is significantly higher than normal, most of these are 50% or more complete
- 21 school audits have been completed in the quarter

- Financial transaction testing for quarters 1 to 3 has been completed during the quarter

The assurance expressed is at the time of issue of the report **but before the full implementation of the agreed management action plan**. Definitions levels are shown in Appendix A.

3. Directorates' progress with the implementation of recommendations for audits resulting in 'No' or 'Limited' assurance is followed up and reported in Appendix B. A separate report on outstanding recommendations is being presented at this meeting.
4. Progress against the Audit Plan 2011/12 is reported in Appendix C. We are on track to deliver the plan.

Other Significant Work

5. In addition to the audit work we have also undertaken other significant pieces of work during the period:

Assurance Mapping

We have further developed the assurance map and are using it to establish a draft audit plan for 2012/13. We are also establishing links with the Programme and performance team to enable us to leverage and co-ordinate assurance through these functions. The response from Senior Manager's to the assurance map has been very positive. We propose to bring the Assurance Map to the Audit Committee in June 2012 to help with the review of the Governance and Assurance Arrangements of the Council.

Process Review

We have completed the review of our processes, including the operation of our management information system, and provided training and support to staff to help them make the transition to different ways of working.

Newark & Sherwood District Council Audit Services

Following our success in winning the tender to provide audit services to Newark & Sherwood District Council we have been working with Newark & Sherwood to transfer the staff and develop their audit plan for 2012/13.

Cancelled Audit

6. After discussion with the Corporate Governance group we have decided to cancel the Corporate Governance audit. The Group felt that we needed to find an alternative means of obtaining assurance to that proposed. We shall determine the most appropriate way of gaining assurance in 2012/13.

Performance Information

7. Corporate Audit's performance is measured against a range of indicators. For those measures where information is available, performance against the Audit Plan 2011/12 is shown below:

Performance Indicator	Target	Actual to 31st January 2012
Productivity & Efficiency		
Actual audits versus planned (by no of audits)	85%	89%
Financial Systems	100%	Reported at year end
% of Reports issued within 2 weeks of closure meeting	90%	100%
Quality of Service		
Client questionnaire scoring better than average for all categories	Good to Excellent	Reported at year end

Conclusion

8. We are on track to deliver the audit plan for 2011/12 and continue to work well with management to improve the control regime on the areas we have reviewed.
9. Our work on the combined assurance model is progressing well and we are confident that 'Taking it on Trust' by leveraging other assurance functions, including management, will help the Council gain wider assurance across its critical activities and key risks.
10. Performance against the Audit Plan 2011/12 for the period to 31 January November 2011 stands at 89% (target 85%).

Consultation

a) Policy Proofing Actions Required

N/A

Appendices

These are listed below and attached at the back of the report	
Appendix A	Audit Assurances
Appendix B	Recommendation Tracker at 31 January 2012
Appendix C	Annual Plan 2011/12 Progress

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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