

Internal audit progress report for Audit Committee

November 2011



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Plan outturn

2011/12 Audit Plan

We have undertaken work in accordance with the 2011/12 Internal Audit Plan which was presented to the Audit Committee at its meeting in March 2011.

An outturn statement detailing assignments undertaken and actual activity for the year is shown in Appendix One. At present we have completed, at the time this report was produced, **83 days out of a total planned 299 days (28%)**. This is in line with the agreed profile of work within our plan as the majority of financial systems work is performed in Q3 of the financial year. We commit to completing our plan ahead of the year end.

Reporting Activity and Progress

TeamCentral Report

We have included a report in Appendix 2 detailing progress against recommendations raised within our 2011/12 audit work.

2011/12 Plan Outturn

We have undertaken work in accordance with the 2011/12 Internal Audit Plan which was presented to the Audit Committee at its meeting in March 2011.

We have issued final reports for the following reviews:

- Procurement (**11_12 NBC Procurement 01**). This report has been included as a separate paper to the Audit Committee.
- The Treasury Management review (**11_12 NBC Treasury Management 04**) focussed on controls in place over treasury management, borrowings and investments. The controls reviewed were well designed and found to be operating effectively. We identified two low risk recommendations which if implemented would help to improve control further.

Our overall report classification for Treasury Management was **low risk**.

- The Expenses review (**11_12 NBC Expenses 05**) focussed on expenses policies and procedures and the process for claiming expenses. We identified one medium and two low risk issues. The medium risk issue related to access rights:
 - Seven individuals had edit access to the payroll system (through which expenses are processed) when their roles only required read access.

Overall we identified excellent progress since the prior year for the expenses function. All prior year recommendations had been implemented and the level of control around expenses has improved significantly.

Our overall report classification for Expenses was **low risk**.

- The Risk Management and Business Continuity review (**11_12 NBC Risk Management and Business Continuity 06**) focussed on the risk management framework and business continuity arrangements at the Authority. We identified two medium risk issues:
 - Risk registers were not always fully or accurately completed by services
 - The Business Continuity Plan for the outsourced Environmental Service had not been obtained by the Authority at the time of our review, although it has now been received.

Overall we identified that both risk management and business continuity control had improved since the prior year. Our report classification for Risk Management and Business Continuity was **low risk**.

We have recently completed our fieldwork for the Development Governance review and anticipate issuing a draft report shortly.

The fieldwork for our core financial systems reviews has commenced. We will be issuing a joint report for this work covering the following systems:

- Payroll
- General ledger
- Cash and Bank
- Debtors
- Creditors (Agresso System)

Appendix A – Plan Outturn Statement

Auditable Unit	2011/12				Planned audit days	Actual Audit Days	Progress
	Q1	Q2	Q3	Q4			
Cross-cutting							
Risk Management and Business Continuity		X			5	5	Final report
Procurement		X			10	10	Final report
Treasury Management		X			5	5	Final report
Budgetary Control				X	8	-	Quarter 4
General Ledger			X		8	1	Terms of reference agreed
Debtors			X		6	1	Terms of reference agreed
Creditors (Agresso)			X		6	1	Terms of reference agreed
Creditors (IBS)			X		8	1	Scoping commenced
Payroll			X		10	1	Terms of reference agreed
Fixed Assets				X	6	-	Quarter 4
Cash and Banking			X		10	1	Terms of reference agreed
Expenses		X			7	7	Final report
Housing Benefits				X	8	-	Quarter 4
Housing rents			X		10	1	Scoping commenced
Debt Recovery				X	7	-	Quarter 4
Partnership Arrangements				X	8	-	Quarter 4
Sub Total					122	34	
Departmental							
Human Resources – Induction Training				X	8	-	Quarter 4
Human Resources - Recruitment	X				8	8	Final report
Customer Services and ICT - IT reviews				X	15	-	Quarter 4
Landlord Services – Decent Homes – contract management/monitoring arrangements			X		10	1	Planning meetings held
Strategic Housing - Voids	X				10	10	Final report
Planning - West Northamptonshire Development Corporation (WNDC) – Review of governance arrangements for stage 2 transition of WNDC				X	10	-	Quarter 4

Auditable Unit	2011/12				Planned audit days	Actual Audit Days	Progress
	Q1	Q2	Q3	Q4			
Planning - Locally set planning fees – Assumptions within costing model			X		8	-	Quarter 3 – Scoping to commence shortly
Regeneration and Development – Development governance		X			10	8	Fieldwork Completed
Culture and Leisure – Leisure Trust contract management/monitoring arrangements			X		10	1	Scoping commenced
Corporate Performance and Change - <i>Performance Management Framework</i> -Oversight of data quality and performance management and arrangements for performance related pay			X		10	1	Planning meeting held
Corporate Performance and Change - <i>Project governance</i> – Specific review of Electronic Data Management System (EDMS) project			X		5	-	Quarter 3 – Scoping to commence shortly
Democratic and Chief Executive Services - <i>Community Asset Transfer Scheme</i> –Risk management arrangements				X	5	-	Quarter 4
Sub Total					109	29	
Value Enhancement							
Anti-fraud and corruption training (Members and Officers)			X		10	2	Planning commenced – work to include an anti-fraud healthcheck
Governance survey				X	10	-	Quarter 4
Audit Committee Effectiveness Training	X				2		Completed
Environmental Services Contract Review			X		10	1	Planning meetings held
HRA –Business Plan assumptions review		X			5	4	Fieldwork Completed
Sub Total					37	7	
Project Management/Other							
Follow Up - Museums			X		3	-	-
Teamcentral	X	X	X	X	10	4	Reports added to Teamcentral
Audit Management	X	X	X	X	18	9	-
Sub Total					31	13	-
Grand Total					299	83	28% Completed

Appendix B – Teamcentral Report Summary

Summary of 2010/11 recommendations

Year	Number of recommendations made	Implemented / Closed	Outstanding
2010/11	124	111	13 – (1 overdue)

- Only finalised reports are being tracked through Teamcentral
- There is one overdue recommendation relating to Project Governance, progress has been made against the recommendation and this is documented on Teamcentral
- The 2011/12 recommendations are detailed in the table below:

Summary of recommendations 2011/12 (final reports only)

Review title and number of recommendations in the final report	Responsible Head of Service	Total Outstanding	Outstanding and Overdue	Outstanding but not yet due	Total Implemented
11_12 NBC 02 Voids (7)	Christine Ansell/Fran Rodgers	7	3	4	0

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