

---

# Internal audit progress report for Audit Committee

*July 2012*



---

# *Table of Contents*

---

Plan outturn	3
Reporting Activity and Progress	4
Appendix A – Plan Outturn Statement	6

---

# *Plan outturn*

## **2011/12 and 12/13 Audit Plan**

We have completed all outstanding work for 2011/12 and issued final reports for all reviews undertaken. Our annual internal audit report for 2011/12 was presented at the May meeting of this Committee.

We have now commenced work in relation to the 2012/13 Audit Plan and have completed our first review with the report now being finalised. We have also scoped a number of other reviews and terms of reference have been agreed and in some cases work has commenced.

Internal Audit also attended the Council's Management Board in June to present the findings from the Governance Survey which was conducted as part of our audit plan for 2011/12.

An outturn statement detailing assignments undertaken and actual activity for the current year is shown in Appendix One. We have completed, at the time this report was produced, **22 days out of a total planned 299 days (7%)**. The majority of our work is planned for quarters 3 and 4 and we are confident that we will complete all planned reviews within the financial year.

# Reporting Activity and Progress

## TeamCentral Report

At the time of this report TeamCentral is in the process of being updated. A full report will be produced for the September meeting.

## 2011/12 Plan Outturn

We have completed and finalised work in accordance with the 2011/12 Internal Audit Plan. Reports issued in final since our previous progress report are detailed below. These were all included in our annual report which was presented to the last meeting of this Committee.

- **Budgetary Control**
- **Fixed Assets**
- **Housing Benefits**
- **Debt Recovery**
- **Local induction Training**
- **Planning Applications**

All of the above areas were assessed as low risk.

- **Partnership Arrangements**

This was assessed as **Medium Risk. Medium rated issues were raised in relation to the following:**

- A register is maintained of partnership arrangements the Authority has entered into in order to ensure partnership arrangements follow the Authorities agreed protocol. There is no process in place to provide assurance over the completeness of the register.
- The partnership protocol outlines the need to assess the resource requirements (in terms of staff time, monetary contributions) for partnerships before entering them. However there is no requirement to subsequently monitor these resources. In the three partnerships we reviewed in detail there had been no ongoing monitoring of the contributions made by the authority. The majority of resources in these cases related to staff time. Provision of information relating to resource contributions are therefore not available for management to assess whether resources for partnership arrangements are consistent with initial assessments and whether the Authority is over or under committing to partnerships.
- In one out of three partnership arrangements reviews, no risk register had been maintained. In the other two partnership arrangements reviewed, the risks related to the success/failure of the partnership arrangements itself but did not consider the specific risks to the authority from the partnership arrangement.
- For two partnership arrangements, the lead officers were not aware of the existence of the partnership protocol.

- **Procurement follow-up**

The 2011/12 internal audit report for Procurement (Procurement 01\_11\_12 NBC) was released in October 2011. The report was classified as high risk as there were a number of high and medium risk issues.

Management set out to address these risks with an action plan. We followed up these actions to determine if they have been implemented. The majority of agreed actions have now been implemented and the majority of the risks have been addressed.

	<b>Original Number of Agreed Actions</b>	<b>Implemented</b>	<b>Outstanding</b>	<b>Actions Deemed No Longer Relevant</b>
Procurement Follow Up Review	17	12	3	2

# Appendix A – Plan Outturn Statement

Ref	Auditable Unit	2012/13				Planned audit days	Actual audit days	Progress
		Q1	Q2	Q3	Q4			
A	Cross-cutting							
A.1	Risk Management and Business Continuity		X			5	1	Planning
A.2	Council Tax	X				6	5	Draft report
A.3	NNDR	X				10	1	Planning
A.4	Core Financial Systems Review			X		40		
A.5	Budgetary Control				X	8		
A.6	Creditors (IBS)			X		8		
A.7	Fixed Assets				X	6		
A.8	Housing Benefits		X			8	1	Planning
A.9	Housing rents			X		6		
A.10	Debt Recovery				X	10		
<b>Total</b>						<b>107</b>	<b>8</b>	
B	Departmental							
B.1	Human Resources		X			8	1	Initial discussions
B.2	Customer Services and ICT			X		15		
B.3	Landlord Services				X	15		
				X		5		
B.4	Strategic Housing				X	8		
			X			8	1	Review delayed
B.5	Communications Team		X			5	1	Initial discussions
B.6	Policy and Community engagement	X				8	1	Planning
B.7	Asset Management		X			8	1	Possible defer
B.8	Environmental Services			X		5		
B.9	Cultural Services			X		5		
B.9	Cultural Services	X				8	1	Planning
B.10	Corporate Performance and Change			X		8		
B.11	Democratic and Chief Executive Services	X				8	1	Planning
B.12	Borough Solicitor Function			X		5		

Ref	Auditable Unit	2012/13				Planned audit days	Actual audit days	Progress
		Q1	Q2	Q3	Q4			
<b>Total</b>						<b>119</b>	<b>7</b>	
VE	Value Enhancement							
VE.1	Governance and controls workshop		X			2		
VE.2	Audit Committee Effectiveness Training		X			2		
VE.3	Anti-fraud awareness training			X		4		
VE.4	Data Matching/CAATS			X		20	1	Initial discussions
VE.5	Support on HR project	X	X	X	X	12		
VE.6	Conflicts of Interest		X			5		
<b>Total</b>						<b>45</b>	<b>1</b>	
PM	Project Management/Other							
PM.2	TeamCentral	X	X	X	X	10	2	
PM.3	Audit Management	X	X	X	X	18	4	
<b>Total</b>						<b>28</b>	<b>6</b>	
<b>TOTAL DAYS</b>						<b>299</b>	<b>22</b>	

---

*In the event that, pursuant to a request which Northampton Borough Council has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PricewaterhouseCoopers (PwC) promptly and consult with PwC prior to disclosing such report. Northampton Borough Council agrees to pay due regard to any representations which PwC may make in connection with such disclosure and Northampton Borough Council shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, Northampton Borough Council discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.*

*©2012 PricewaterhouseCoopers LLP. All rights reserved. PricewaterhouseCoopers refers to the United Kingdom firm of PricewaterhouseCoopers LLP (a limited liability partnership) and other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity*