

## Report of the Chief Auditor

Audit Committee – 12 February 2015

### INTERNAL AUDIT ANNUAL PLAN 2014/15 MONITORING REPORT FOR THE PERIOD 1<sup>st</sup> OCTOBER 2014 TO 31<sup>st</sup> DECEMBER 2014

<b>Purpose:</b>	This report shows the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 <sup>st</sup> October 2014 to 31 <sup>st</sup> December 2014.
<b>Policy Framework:</b>	None
<b>Reason for Decision:</b>	To allow the Audit Committee to discuss and monitor progress against the Internal Audit Annual Plan 2014/15
<b>Consultation:</b>	Legal, Finance, Access to Services.
<b>Recommendation(s):</b>	It is recommended that: the Committee review and discuss the work of the Internal Audit Section and note the contents of this report
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<b>Legal Officer:</b>	Sharon Heys
<b>Access to Services Officer:</b>	Sherill Hopkins

#### 1. Introduction

- 1.1 The Internal Audit Annual Plan 2014/15 was approved by the Audit Committee on 24<sup>th</sup> April 2014 and quarterly monitoring reports have been presented throughout the year to allow Committee to review and comment upon the progress of the Internal Audit Section in achieving the Annual Plan.
- 1.2 This report shows the audits which were finalised in the period 1<sup>st</sup> October 2014 to 31<sup>st</sup> December 2014.

## 2. Audits Finalised 1<sup>st</sup> October 2014 to 31<sup>st</sup> December 2014

2.1 A total of 101 days were lost in Quarter 3 due to the following vacancies.

- A Senior Auditor post was vacant until 10<sup>th</sup> November 2014 when it was filled by the promotion of an Auditor
- The promoted Auditor's post remained vacant from 10<sup>th</sup> November onwards
- A part time auditor post was vacant throughout the quarter

2.2 A total of 21 audits were finalised during Quarter 3. The audits finalised are listed in Appendix 1 which also shows the level of assurance given at the end of the audit and the number of recommendations made and agreed.

2.3 An analysis of the audits finalised during the 3<sup>rd</sup> quarter is shown in the following table

<b>Assurance Level</b>	High	Substantial	Moderate	Limited
Number	4	17	0	0

2.4 A total of 180 audit recommendations were made and management agreed to implement all recommendations made i.e. 100% against a target of 98%.

2.5 In addition, the Internal Audit Section also certified the following grant as required by the terms and conditions of the grant issued by the Welsh Government.

<b>Grant</b>	<b>Amount £</b>
Supporting People Programme Grant 2013/14	14,628,115

2.6 It was found that the grant had been spent in accordance with the purpose of the grant and that only eligible expenditure was included.

2.7 The quarterly Internal Audit Monitoring Reports presented to the Audit Committee over the course of 2014/15 have all identified a loss of productive days due to vacancies and secondments.

2.8 To the end of December 2013, a total of 375 days had been lost due to vacancies and secondments and there are currently 2.6 vacant Auditor posts although one post is covered by an agency auditor.

2.9 The level of vacancies has to be viewed in the light of the significant funding difficulties facing the Council and, in particular, the stated policy of the Council to minimise any risk of compulsory redundancies. The management of vacancies and timing of appointments is crucial in this

respect. Given the current and projected funding position of the Council going forward, it is essential that scarce audit resource is focused in the most effective way.

- 2.10 The Audit Plan Methodology report elsewhere on the agenda for this meeting contains proposals for changing the way Internal Audit works to make to more risk based and to free up time for added value work.
- 2.11 The Annual Plan for 2014/15 has been reviewed to balance the resources available for the remainder of the year against a risk assessment of priorities and a list of the audits which will have to be deferred until 2015/16 is attached in Appendix 2.
- 2.12 The operational Audit Plan for Quarter 4 has been drawn up on the basis that the current vacancies will not be filled although every effort is being made to ensure that this is not the case. If staff are appointed to the vacant posts then appropriate audits will selected from Appendix 2 and the number of jobs carried forward will be reduced.
- 2.13 The audits deferred will be prioritised in the 2015/16 Annual Plan and it is hoped that the recruitment of a full complement of staff and the impact of the proposals outlined in the Audit Plan Methodology report will prevent a significant number of jobs being carried forward at the end of 2015/16..

### **3. Follow Ups Completed 1<sup>st</sup> October 2014 to 31<sup>st</sup> December 2014**

- 3.1 A follow up of the Llangyfelach Primary School audit which had received a 'moderate' level of assurance was completed during Quarter 3 and it was found that all recommendations apart from 2 had been implemented. The outstanding recommendations have been brought to the attention of the Headteacher and Chair of the Governing Body

### **4 Equality and Engagement Implications**

- 4.1 There are no equality and engagement implications associated with this report

### **5. Financial Implications**

- 5.1 There are no financial implications associated with this report.

### **6. Legal Implications**

- 6.1 There are no legal implications associated with this report.

**Background Papers:** Internal Audit Plan 2014/15

**Appendices:** Appendix 1 Internal Audit – Monitoring Report Quarter 3 2014/15  
Appendix 2 Internal Audit Plan 2014/15 – Audits Deferred