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| REPORT TO THE FINAL ACCOUNTS AND AUDIT COMMITTEE | | Report No. 7 |
| Date of Meeting | 09/03/2009 | |
| Title of Report | Internal Audit Progress Report | |
| Link to Corporate Priorities | No links to corporate priorities. | |
| Public Report | Yes | |

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| <p>Summary of Report</p> <p>To update the Final Accounts and Audit Committee on progress against the 2008/2009 Internal Audit Plan.</p> |
| <p>Officer Recommendations</p> <p>1. That the update is noted.</p> |

| Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report. | | | | |
|---|--------------------|--|------------------------------|-----------------------------------|
| Financial Implications | Legal Implications | Community & Environmental Implications | Human Resources Implications | Equality & Diversity Implications |
| None | None | None | None | None |

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1. Introduction

- 1.1 This report details progress made by Internal Audit against the approved 2008/2009 Internal Audit plan

2. Options and Options Appraisal

- 2.1 Option 1: The report be noted.
- 2.2 Option 2: That a different course of action be considered.

3. Background Information

- 3.1 The Final Accounts and Audit Committee approved the Internal Audit Plan for 2008/2009 at its meeting on 16 April 2007. This plan was updated and reported to this committee on 28 January 2008 and it is progress made against this plan which is reported here.
- 3.2 All outstanding audits from quarter 3 of the 2008/9 audit plan have now been completed and issued in final form. A summary of audit work undertaken to date is shown in Table 1.
- 3.3 The Auditor has had 23.5 days of non audit work in the period from the 24th November to 17th February 2009. The auditor is currently studying for the Institute of Internal Audit (IIA) qualification and has just completed the Award in Management at Wiltshire County Council. This training and recent SAP training account for 8.5 days with the remainder made up of holiday and working with the new Wiltshire Council Audit Team.
- 3.4 Addition resources from the Finance Team continue to be used by the Auditor. One of the Finance Officers assisted with the completion of the payroll audit, as testing was required by External Audit of starters and leavers. This testing was in addition to the planned audit work but was considered financially worthwhile as it cut down the amount of time required by the External Auditor.
- 3.5 Work identifying computer equipment has now come to an end. From a list of 659 items 75 could not be located. However, many of these items were old and have been scrapped. The list has now been passed to the I.T Team to provide additional information and to enable them to locate items that are still in use. Two members of the Finance Team were utilised for this task in order for them to gain experience of Internal Audit work and to provide for professional development.
- 3.6 The auditor was specifically asked by the Section 151 Officer to produce a report into the NWDC contract with Sector Treasury Ltd, following the recent transactions with Icelandic banks. The work was completed within 2 days but this was in addition to the agreed planned audit work.
- 3.7 Council Tax and NNDR testing was due to commence in December 2008 as it was thought that External Audit would require this for the review. It was confirmed by External Audit that reliance was placed last year on these areas and that would last for 2 years. Focus was therefore placed on testing they required for this year's review and therefore Payroll and Car park income testing was carried out by Internal Audit.

- 3.8 Council Tax and NNDR testing would usually take place towards the end of March and work is currently underway with the new Unitary Audit Team to conduct this testing as a joint operation.

Table 1: Summary of Audit Work so far during quarter four 2008/09

| Audit Work Area | Q4 Budget (Days) | Q4 Actual (Days) | Status |
|-----------------------------|-------------------------|-------------------------|---------------|
| Asset Management | 5 | 5 | Complete |
| Cash Collection and Banking | 5 | 5 | Complete |
| Building Control | 3 | 3 | Ongoing |
| Creditors | 5 | 5 | Complete |
| Depot | 15 | 15 | Complete |
| Car Park Income | 1 | 1 | Complete |
| Payroll Testing | 3 | 3 | Complete |
| Sector Treasury | 2 | 2 | Complete |
| Training Courses | 8.5 | 8.5 | |
| Leave and non-audit time | 15 | 15 | |
| Total days | 53.5 | 53.5 | |

4. Audit Reports 2008/9

- 4.1 Table 2 below lists audits completed since the previous report to the Committee, and the opinions given for each system. Should further information be required on any of the audits undertaken it can be requested from the Head of Finance & Resources.

Table 2: Summary of Opinion and Findings

| Audit | Opinion | Comments |
|------------------|------------------|--|
| Creditors | Good (2) | Good progress made in the last 10 months. No major issues found. |
| Sector Treasury | Good (2) | No issues found. |
| Asset Management | Good (2) | Completed. No major issues found. |
| Depot | Satisfactory (3) | Completed. Issues identified were addressed with positive management comments. Follow up in March will be carried out to ensure improvements have been made. |

- 4.2 Following on from the issues identified in the Contract Monitoring Audit Report and some concerns identified in the Depot Audit the Chief Accountant and the Auditor organised a meeting with the County Council Audit Team to discuss the issues and to seek assurance that they would be addressed in the new Wiltshire Council. It was discovered that they had identified problems within their own contract monitoring process and significant steps were in place to ensure a robust method was adopted for Wiltshire Council. One of the final tasks of the Auditor will be to prepare a synopsis of the audit work carried out in 2008/9. This will include the findings in the Contracts Monitoring Audit which may then be followed up as part of the Wiltshire Council's Audit Plan for 2009/10.

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| Appendices: | <ul style="list-style-type: none"> • None |
| Background Documents Used in the Preparation of this Report: | <ul style="list-style-type: none"> • None |

Previous Decisions Connected with this Report

| Report | Committee & Date | Minute Reference |
|--------------------------------|---|-------------------------|
| Internal Audit Progress Report | Final Accounts and Audit Committee 24 th November 2008 | |