

Report of	Meeting	Date
Assistant Chief Executive (Business Transformation)	Audit Committee	15/01/09

INTERIM REPORT ON INTERNAL AUDIT ACTIVITIES AS AT 12th DECEMBER 2008

PURPOSE OF THE REPORT

- 1 To advise members of the work undertaken in respect of the Annual Internal Audit Plan as at mid-December 2008 and to comment on the results.
- 2 To provide details of further reviews, investigations and other Internal Audit activities during the period.

RECOMMENDATIONS

- 3 That the Interim Report be noted.

CORPORATE PRIORITIES

- 4 This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the central Lancashire sub region		Improved access to public services	
Improving equality of opportunity and life chance		Develop the character and feel of Chorley as a good place to live	
Involving People in their Communities		Ensure Chorley is a performing Organisation	✓

BACKGROUND

- 5 This is the second Interim Progress Report for the current financial year and covers the period between 12th September 2008 and 12th December 2008. Appendix 1 shows the overall progress made in relation to the 2008/9 Internal Audit Plan.
- 6 The last 3 months have been extremely demanding as we have undergone the transition into the new, shared services arrangement as well as continuing to focus on existing work commitments. Despite the additional pressures, productivity has remained high and the Audit Plan is firmly on course to be achieved. The remaining paragraphs summarise the main elements of the work undertaken during the last quarter.

CORPORATE GOVERNANCE

Use of Resources

- 7 We contributed extensively to the reassessment process and the successful outcome for the 2008 exercise.

REVIEW OF FINANCIAL SYSTEMS

Inventories

- 8 Directorate fixed asset registers were last reviewed in January 2003 and since that time there have been a number of organisational changes, which has led to the registers becoming out of date.
- 9 We have worked closely with Directorates in order to identify officers who have responsibility for the maintenance of asset registers and trained them in the application of the corporate guidance.
- 10 Asset registers are currently being revised or compiled by Directorates in accordance with the guidance and should continue to be maintained on an on-going basis.

New E-Claims System

- 11 The E-Claims system was introduced just over 12 months ago, in order to provide officers with the ability to make submissions of mileage and/or expense claims electronically. The purpose of this review was to provide assurance to management that the system is effectively embedded, operating as intended and is subject to appropriate management checks.
- 12 We found that there are clearly established processes in place for the submission of mileage and expense claims. Testing provided assurance that the majority of officers are retaining receipts for potential submission to HMRC and appropriate management checks of expenses and mileage claims have been carried out.
- 13 We identified several areas where changes could be made to strengthen and improve the current monitoring arrangements and the leaver's process. In addition, minor amendments are required to further develop the administrative processes.

WORK IN PROGRESS

- 14 Audit fieldwork is also nearing completion in respect of the following planned audits and the results will be reported to the Committee in due course:
 - Civil Contingencies (Emergency Planning)
 - Election Fees

IMPLICATIONS OF REPORT

- 15 This report has no implications for specific Directorates. The matters raised in the report are cross cutting and impact upon the authority as a whole.

GARY HALL
ASSISTANT CHIEF EXECUTIVE
BUSINESS TRANSFORMATION

Background Papers			
Document	Date	File	Place of Inspection
Accounts & Audit Regulations 2003	2003	TRANSFORMATION DIRECTORATE	Union Street Offices

Report Author	Ext	Date	Doc ID
Garry Barclay	5468	12/12/08	150109.doc

INTERNAL AUDIT WORK PLAN 2008/9 - SUMMARY PROGRESS REPORT

CORPORATE GOVERNANCE					
Corporate Policies & Procedures	ALL	20	11	9	Intranet User Guide Completed
Governance Assurance Statements	1&4	20	9	11	2008/9 Statement Completed
External Inspection (CPA, Use of Resources)	ALL	20	12	8	Self Assessment Completed
Data Quality	ALL	45	42	3	Ongoing
Governance General	ALL	5	5	0	Ongoing
		110	79	31	
RISK MANAGEMENT					
Risk Management Policies & Procedures	ALL	10	4	6	Ongoing
Risk Registers	ALL	15	10	5	SRR Update In Progress
Health & Safety	ALL	25	15	10	Service Handed Over to HR
Insurance	ALL	25	13	12	Ongoing
Risk Management General	ALL	5	4	1	Ongoing
		80	46	34	
ANTI-FRAUD & CORRUPTION					
National Fraud Initiative (NFI)	ALL	30	37	-7	Ongoing
Fraud & Corruption Risk Register	ALL	20	5	15	Ongoing
System Interrogations	ALL	25	2	23	Ongoing
Fraud Bulletins	ALL	15	1	14	Ongoing
Anti-Fraud & Corruption General	ALL	5	1	4	Ongoing
		95	46	49	
REVIEW OF KEY BUSINESS SYSTEMS					
Procurement Strategy	3&4	20	1	19	Work In Progress
Framework for Partnership Working	1	20	26	-6	Review Completed
Civil Contingencies	3&4	20	7	13	Work In Progress
Information Governance	2&3	18	2	16	Review Completed
Intranet & E-Mail Policy	4	15	1	14	Final Quarter
		93	37	56	
REVIEW OF FINANCIAL SYSTEMS					
Key Systems Review (ISA)	4	50	0	50	Final Quarter
Inventories	3	20	6	14	Review Completed
Stores & Stock Control	1	20	25	-5	Review Completed
Budget Setting & Control	1	15	14	1	Review Completed
New E-Claims System	3	15	19	-4	Review Completed
		120	64	56	
REVIEW OF KEY OPERATIONS					
Election Fees	3&4	20	14	6	Work In Progress
S106 Agreements	4	15	0	15	Review On Hold
Car Parking	1	20	27	-7	Review Completed
		55	41	14	
CONTINGENCY					
Irregularity Investigations	ALL	30	4	26	Ongoing
Post Audit Reviews	ALL	25	10	15	Ongoing
Unplanned Reviews	ALL	45	21	24	Ongoing
Audit Committee Reporting	ALL	20	12	8	Ongoing
		120	47	73	
TOTAL CHARGEABLE DAYS		673	360	313	