

# *Internal Audit Progress Report*

Cherwell District  
Council

September 2013

Update to the Accounts Audit  
And Risk Committee on  
Internal Audit activity

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## ***Introduction***

We are committed to keeping the Accounts, Audit and Risk (AAR) Committee up to date with internal audit progress and activity throughout the year. This summary has been prepared to update you on our activity since the last meeting of the Committee and to bring to your attention matters that are relevant to your responsibilities as members of the Committee.

## ***2013/14 audit plan***

We have undertaken work in accordance with the 2013/14 Internal Audit Plan which was approved by the AAR Committee at its meeting in June 2013.

We are currently in discussions with the Council's Programme Manager to determine how best to utilise the programme management reviews. Possible projects include:

- Resource Planning
- Welfare and Council Tax Reform
- Moat Lane
- Resource Link System Pre Readiness Review
- Partnership arrangements between Cherwell District Council and South Northamptonshire Council
- Project and Corporate Risk Management

## **Reporting activity and progress**

For the 2013/14 Audit Plan to date, draft reports are being prepared in the following areas.

### **Pioneer Places Agreed upon Procedures**

The Council submitted and won grant funding from the Department of Energy and Climate Change (DECC) for Green Deal Projects in January 2013. The capital element of the funding (£95k) was required to be compliant with the Local Government Act 2003 Section 11(2) and a grant submission required to the DECC.

PwC agreed procedures with both Cherwell and DECC to provide assurance that expenditure was spent correctly. A grant claim form was prepared for expenditure spent by Cherwell up to May 2013. The fieldwork was performed in August 2013, with a draft report to be issued to Cherwell w/c 16<sup>th</sup> September.

## **Conclusion of 2012/13 audit plan**

When we issued our Annual Report for 2012/13 in June 2013, one report was still in draft pending receipt of management comment and action plans. This report has been concluded as follows, with no change to the previously reported draft risk ratings:

Review	Status / Comment	Overall risk rating
Environmental Services: Dry Recycling	Final	Medium

## **Additional Projects from the 2012/13 audit plan**

As agreed with management, we have undertaken additional projects in Q1 of the 2013/14 financial year that were agreed and brought forward from the 2012/13 audit plan.

### **Oxfordshire Waste Partnership Small Bodies Return**

The responsibility for the internal audit of the Partnership rotates on a biannual basis with the Chair. For 2011/12 and 2012/13 the responsibility was with Cherwell District Council.

The Oxfordshire Waste Partnership is a joint committee of the District Councils and County Council of Oxfordshire, the aim of which is to facilitate joint working on waste matters.

PwC was approached to perform internal audit procedures for the submission of the small bodies return to the Audit Commission. As part of this we performed set procedures including ensuring adequate accounting records were kept, periodic bank reconciliations were being performed and petty cash payments were supported by valid receipts.

The Small Bodies Return was submitted to the Audit Commission in June with all processes agreed in place. An internal audit report was also issued to management, with a 'low' risk rating. One low risk issue was identified regarding financial information reported to OWP Joint Committee not being traceable.

### **Year End Finance Support**

We agreed to assist the finance team in reviewing an initial draft of the Statement of Accounts for Cherwell District Council. We reviewed the accounts against the 'CIPFA Code of Practice on Local Government Accounting 2013' and reviewed for casting, accuracy and any obvious omissions. All issues identified were then relayed to the Finance team and considered before the external audit process.

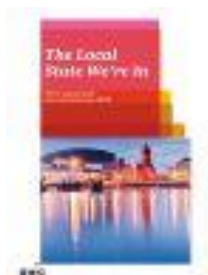
# Appendix 1 – Audit plan update

Ref	Auditable Unit	Indicative number of audit days	Status/Revisions to Plan
<b>A</b>	<b>Cross-cutting Processes</b>		
A.1	General Ledger	3	To commence in Q3.
A.2	Debtors	3	To commence in Q3.
A.3	Creditors	3	To commence in Q3.
A.4	Payroll	3	To commence in Q3.
A.5	Budgetary Control Treasury Management	5	To commence in Q4.
A.6	Collection Fund	3	To commence in Q3.
A.9	Housing Benefits	3	To commence in Q3.
A.13	Risk Management	10	To commence in Q4.
A.14	IT Risk Management Access and Recovery	5	To commence in Q3.
<b>B</b>	<b>Department Level</b>		
B.1	Finance and Procurement – Year end support	4	To commence in Q4.
B.2	Performance – Performance Management	5	To commence in Q3.
B.3	Community Services – Grant Allocation	5	To commence in Q3.
B.4	Programme Management - Project and Programme Management	25	To commence in Q3.
B.5	Human Resources – Workforce Planning and Performance Management	5	To commence in Q3.
B.6	Payroll Implementation	5	To commence in Q3.
B.7	Environmental Services	5	To commence in Q3.
B.8	Human Resources – Employment Contracts	5	To commence in Q3.
<b>VE</b>	<b>Value Enhancement</b>		
VE.1	Joint Working Arrangements	10	To commence in Q3.
VE.2	Joint Working Arrangements	10	To commence in Q4.

# Appendix 2 – Recent PwC Publications

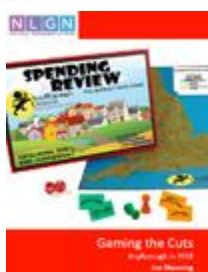
As part of our regular reporting to you, we plan to keep you up to date with the emerging thought leadership we publish. The PricewaterhouseCoopers Public Sector Research Centre (‘PSRC’) produces a range of research and is a leading centre for insights, opinion and research on best practice in government and the public sector.

All publications can be read in full at [www.psrc.pwc.com/](http://www.psrc.pwc.com/)



## *The Local State We're In PwC's annual local government survey, 2013*

This PwC publication finds that UK local authorities have once again successfully delivered against an ambitious programme of financial savings over the last year without impacting the quality or quantity of services. But the survey points to nervousness about meeting rising demands for services and protecting the frontline in future in the face of further public spending cuts.



## *Gaming the Cuts: Local government in 2018*

Local authority decision makers in the UK are attempting to bridge a widening financial gap. Against this backdrop this report sets out the potential implications of future spending reviews out to 2018. The purpose is not to add more detail to an already fatalistic picture but to recommend new policies and approaches that can be applied to future fiscal challenges.



## *At risk? Dealing with failure*

No government wants a provider of public services to fail. But as public services are opened up to more competitive pressures, it is likely that under performance will no longer be hidden and provider failure will then appear to occur more frequently.



## *Brave new world? Different ways of working*

Today's pressures will significantly impact on the way public services are delivered in future, whether by public sector organisations or by a mix of other providers. Here we examine how public sector organisations need to re-define their purpose and future ways of working by becoming more agile and managing demand more effectively.



## *Opening out? New approaches to service delivery*

The UK Government has committed to opening up public services to a diverse range of providers competing to offer a better service for users. But why is opening up public services to new providers such a priority? Does a new market for 'public service partnerships' exist yet? Here we discuss the implications for the partnership models needed to deliver public services.

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