

# *Internal Audit Progress Report*

Update to the Accounts, Audit and  
Risk Committee on Internal Audit  
activity

Cherwell District  
Council

December 2013

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## ***Introduction***

We are committed to keeping the Audit 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.

We have also attached again for reference some of the latest publications that might be of interest to you as members of the committee (these are included in Appendix 1).

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

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

Please find a summary of the latest position against the plan. We remain on course to deliver the plan by the 31 March 2014, with the exception of the year end support which is scheduled for June 2014 when the draft statement of accounts are prepared and does not form a review of the control environment.

## Reporting activity and progress

A summary of the 2013/14 Audit Plan and amendments made are included in the summary below.

Ref	Auditable Unit	Original Plan Days	Updated Plan Days	Update
A	Cross-cutting Processes			
A.1	General Ledger and Creditors **	6	7	<p>We have combined the General Ledger and Creditors review into a combined review.</p> <p>The review took place w/c 18 November 2013. We have allocated resource to pick up follow up points and any outstanding testing and we expect these reviews to be finalised presently.</p> <p>There are no matters which we need to draw to your attention from initial findings and are in internal review process.</p>
A.2	Collection Fund and Debtors**	6	7	<p>We have combined the Collection Fund and Debtors review into a combined review.</p> <p>The review took place w/c 11 November 2013. We have allocated resource to pick up follow up points and any outstanding testing and we expect these reviews to be finalised presently.</p> <p>There are no matters which we need to draw to your attention from initial findings and are in internal review process.</p>
A.3	Treasury Management	2	4	<p>We had originally combined the Treasury and Budget reviews as a 5 day review. These have been separated out due to the timing of these reviews and therefore we have utilised 3 contingency days overall to reflect the additional planning, on site and reporting work to deliver these reviews.</p> <p>The review is scheduled to take place w/c 2 December 2013.</p>
A.4	Payroll	3	4	<p>Due to the change in system from October 2013 where Cherwell has moved onto the same system as South Northamptonshire, we have agreed with Management that the payroll review should be moved into quarter 4 to allow sufficient assessment of the new system and process in place for Cherwell.</p> <p>We have therefore also moved the South Northamptonshire in order to gain the efficiencies of a shared system from 1 October for both councils.</p> <p>We have utilised a contingency day for additional scoping and planning required.</p> <p>The review is scheduled to take place w/c 20 January 2014.</p>

A.5	Budgetary Control	3	4	<p>We had originally combined the Treasury and Budget reviews as a 5 day review. These have been separated out due to the timing of these reviews and therefore we have utilised 3 contingency days overall to reflect the additional planning, on site and reporting work to deliver reviews.</p> <p>The review is scheduled to take place w/c 10 February 2014.</p>
A.9	Housing Benefits	4	4	<p>No change.</p> <p>The review is scheduled to take place w/c 2 December 2013.</p>
A.13	Risk Management **	8	5	<p>In discussions with management we have re-allocated 3 days between risk management and performance management.</p> <p>We have held scoping meetings and in the process of finalised the terms of reference</p> <p>The review is scheduled to take place w/c 20 January 2014</p>
A.14	IT Transition Arrangements (Specialist)**	5	10	<p>These reviews have been combined and we have undertaken the review in late quarter 2, looking at the transition arrangements for IT.</p>
A.14	IT Policies and Procedures (Specialist)**	5		<p>Initial findings are at draft stage.</p>
A.14	Disaster Recovery and Business Continuity (Specialist)**	3	3	<p>No change.</p> <p>This reviewed is scheduled for early quarter 4 and is a follow up on high risk report from 12/13.</p>
A.14	IT Risk Management Access and Recovery (Specialist)**	5	5	<p>No change.</p> <p>This reviewed is scheduled for quarter 4.</p>
	<b>TOTAL</b>	<b>50</b>	<b>53</b>	
<b>B</b>	<b>Department Level</b>			
B.1	Finance and Procurement – Year end support ** (Specialist)	4	4	<p>No change.</p> <p>We will confirm with management what year end support is required.</p> <p>Expected to be delivered early June 2014.</p>
B.2	Performance – Performance Management	5	8	<p>In discussions with management we have re-allocated 3 days between risk management and performance management.</p> <p>We have held scoping meetings and finalised the terms of reference.</p> <p>The review is scheduled to take place w/c 25 November 2014.</p>

B.3	Community Services – Grant Allocation	5	5	We have held initial scoping meeting and are in the process of agreeing the scope of the reviews across both Councils.  The review is scheduled to take place w/c 3 February 2014.
B.4	Programme Management - Project and Programme Management ** (Specialist)	20	22	We continue to have on going interaction with the Councils Programme Manager.  We have completed Programme Risk Management Review  We have reviews planned through November to March covering both Councils on various projects and programmes covering: <ul style="list-style-type: none"> <li>• Welfare reform</li> <li>• Resource planning</li> <li>• Gateway planning</li> <li>• Moat lane</li> <li>• Bicester</li> <li>• Banbury</li> </ul> We have used 2 contingency days to reflect a wider review over welfare reform project.
B.5	Human Resources – Workforce Planning and Performance Management ** (Specialist)	5	10	This has been combined into 1 review looking at the overall programme and project management around Resource Link Project.  The review is scheduled to be delivered in quarter 4.
B.6	Payroll Implementation** (Specialist)	5		
B.7	Environmental Services	5	5	We have held initial scoping meeting and are in the process of agreeing the scope of the reviews across both Councils.  The review is scheduled to take place w/c 24 February 2014.
B.8	Human Resources – Employment Contracts ** (Specialist)	5	5	No change.  Review expected to be scoped and delivered in quarter 4.
	<b>TOTAL</b>	<b>54</b>	<b>59</b>	
<b>VE</b>	<b>Value Enhancement</b>			
VE.1	Joint Working Arrangements**	10	10	We are in the process of agreeing specific areas of focus.  The review is scheduled to take place w/c 6 January 2014.
VE.2	Joint Working Arrangements**	10	10	We are in the process of agreeing specific areas of focus.  The review is scheduled to take place w/c 17 March 2014.
VE.3	Contingency	10	2	See days utilised above.
	<b>TOTAL</b>	<b>30</b>	<b>22</b>	
<b>PM</b>	<b>Project Management</b>			
PM1	Follow up	5	5	No change.

PM 2	Audit Management	23	23	No change.
	<b>TOTAL</b>	<b>28</b>	<b>28</b>	
	<b>TOTAL PROPOSED DAYS</b>	<b>162</b>	<b>162</b>	

# Appendix 1 – 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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