XENTRALL AUDIT PLAN 2011/12 – PROGRESS REPORT FROM STOCKTON BOROUGH COUNCIL'S INTERNAL AUDIT SECTION

Purpose of Report

1. To provide Darlington Borough Council's Audit Committee with a progress report against the 2011/2012 Xentrall Audit Plan as at 24 February 2012.

2. To notify Members of the proposed plan for 2012/13.

Information and Analysis

3. Stockton Borough Council's Annual Audit Plan for 2011/12 is risk based and was approved by SBC's Audit Committee in June 2011. The relevant Xentrall element of the Plan was reported to DBC's Audit Committee in March 2011.

4. The range of audit work to be carried out on the partnership was developed following consultation with the Xentrall Management Board, Audit Services at Darlington Borough Council and the External Auditors of both councils. The detailed scope of each audit assignment is agreed by Stockton Borough Council Internal Audit and Xentrall management prior to the commencement of audit work.

5. Appendix A identifies the previously reported audits, the completed audits in this period and those currently classed as on-going.

6. Appendix B is the proposed Audit Plan for 2012/13. We have made an amendment to how we record audit assignments which will not have any impact on the amount of work we will undertake but it will impact on how the plan is presented specifically the number of days for each audit as it will include the time to be spent looking at SBC samples.

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2011/12 Audits previously reported

Department	Audit Assignment	Assurance Opinion	Where Assurance Opinion Less Than Substantial	
			Audit Comment	Management Response
Xentrall	Agresso	Substantial Assurance		
	Creditors	Full Assurance		
	Income	Full Assurance		

Audits Presented

Department	Audit Assignment	Assurance Opinion	Where Assurance Opinion Less Than Substantial	
			Audit Comment	Management Response
Xentrall	Payroll (Including Absence Management)	Substantial Assurance		
	Windows (Including Northgate Revenues & Benefits)	Substantial Assurance		
	Bank Reconciliation	Full Assurance		

On-going

Department	Audit Assignment	Status	Where Assurance Opinion Less Than Substantial	
			Audit Comment	Management Response
Xentrall	Debtors	On-going		
	BACS System (E-Commerce Controls)	On-going		
	Network Management/ Remote access	On-going		
	ICT Disaster Recovery	On-going		
	Business Continuity	On-going		

Opinion Scoring Methodology

Assurance	Definition
FULL ASSURANCE	A sound system of controls is being applied consistently 91 -100% assurance on testing results
SUBSTANTIAL ASSURANCE	Overall, there is a sound system of internal controls, however, the implementation of the agreed recommendations would further strengthen these controls 71 – 90% assurance on testing results
LIMITED ASSURANCE	The system of controls is weak and (either) is not being complied with in some significant areas, or does not cover all areas. 41 – 70% assurance on testing results
NO ASSURANCE	The system of controls is failing and in need of urgent management attention. 0 – 40% assurance on testing results

2012/13 PROPOSED ANNUAL AUDIT PLAN   Appendix B

		2010/11	2011/12	2012/13	2013/14	2014/15
Core Systems						
	Bank Reconciliation	5	5	10	10	10
	Business continuity		5	15	15	15
	Creditors	10	15	30	30	30
	Debtors	10	10	25	25	25
	Design & Print					5
	Governance	10		4		4
	Income	7	7	7	7	7
	Payroll & Absence Management	21	25	55	55	55
	Transactional HR - Recruitment / Employee Contracts	10		15		15
ICT Infrastructure & Systems						
	Agresso	10	15	20	20	20
	Disaster Recovery		5	15		15
	Paybase		5			5
	Northgate Revenues & Benefits		10		5	
	ICT Environmental Controls	15		10		10
	IS/IT Strategy				10	
	Active Directory				15	
	Firewalls	8			10	
	Remote Access	8	10			10
	New systems management			5	5	5
	PS Enterprise	15		15		15
	Virtualisation		15	15		15
	Change Control			10		
	Desktop Management				10	
	Hardware Controls			10		
	ICT Project Management					15
	Internet				10	
	Network Management				15	
	Outlook/Email				10	

					10	
	Website/Intranet				10	
Totals		129	127	261	262	276