

**INTERNAL AUDIT  
DELIVERY PLAN  
2009/10  
YEAR END POSITION**

**Key Service Activities**

	<b>Activity levels &amp; output description</b>	<b>Performance Indicators/ Timing</b>	<b>Statutory/ Non-Statutory</b>	<b>Lead + IA Team Resources</b>	<b>Impacts re partners, or other parts of council</b>	<b>Year-end Position</b>
1	<p>Prepare risk based internal audit operational plan for 2010/11</p> <p><i>Output = operational plan + resource calculation</i></p>	To be completed by end of Q4	Non-statutory – Professional Requirement (CIPFA)	Service Manager, Internal Audit(SM,IA) + Quality Control Auditor (QCA) + Internal Audit (IA) Team	Input required from all Directorates + Corporate Strategy Board (CSB) + Governance, Audit and Risk Management Committee (GARMC)	Achieved
2	<p>Co-ordination of the Corporate Management Assurance Programme + reporting to CSB &amp; GARM</p> <p><i>Output = Divisional, Directorate &amp; Corporate Management Assurance Statements + covering report CSB/GARM</i></p>	Exercise Q4/Q1 – reporting CSB/GARM in June	Feeds into statutory requirement to produce Annual Governance Statement (AGS)	SM, IA + QCA	Input required from all Directorates, Divisional Directors + Corporate Directors	Achieved

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3	Co-ordination of the ongoing review of governance framework + IA and Corporate Governance Working Group (CGWG) input to AGS + reporting to Corporate Governance Group (CGG) GARM/CSB  <i>Output = AGS evidence table, AGS + reports to GARM/CSB</i>	Q4/Q1 mainly, reporting to CSB/GARM in August/September	Statutory requirement to produce AGS	SM,IA	Input from CGWG, CGG, managers + CSB/GARM	Achieved
4	Achievement of internal audit operational plan 2009/10  <i>Output = IA reports</i>	CIPFA PI 90% + local PIs covering performance/quality of service	Feeds into statutory requirement for authority to have 'effective IA function'	SM,IA + IA Team	Input required from all Directorates on a review by review basis	93% Plan achieved
5	Timely Achievement of Key Control reviews of core financial systems + update of core financial system notes + walkthroughs + co-ordination of self-assessments  <i>Output = IA reports + updated system notes</i>	Local PI = 100% by end of Q1 (June)	Non-statutory – required for external audit reliance	SM, IA + IA Team	Input required from staff within Housing Rents, Accounts Payable, Accounts Receivable, Payroll, Housing Benefits, Council Tax, Non-Domestic Rates	Achieved

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6	Mid-year & year-end reporting to CSB & GARM + Quarterly improvement board reports  <i>Output = mid-year + year end reports + quarterly improvement board reports</i>	Improvement Board reports end of each quarter, mid-year report October, year-end report June	Non-statutory - CIPFA Professional Requirement	SM, IA + QCA + IA Team	No impact	Achieved
7	Provide objective, constructive and timely support and advice to managers on SFIs, Fin Regulations, Risk Management and control improvement  <i>Output = written &amp; verbal advice &amp; reports</i>	As required throughout year	Non-statutory	SM, IA + IA Team	Input from staff within Directorates as necessary	Achieved
8	Feed into risk management process via attendance of Risk Steering Group  <i>Output = IA contribution to corporate risk management process</i>	Throughout the year	Non-statutory – recognised good practice	SM, IA	No impact	Achieved
9	Keep Audit Manual up to date  <i>Output = updated audit manual</i>	Throughout the year	Non-statutory – CIPFA Professional Requirement	SM. IA + Auditor responsible (CC)	No impact	Achieved

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10	<p>Audit reviews completed in accordance professional and local internal audit and quality standards</p> <p><i>Output = audit reports and working papers that comply with CIPFA and local internal audit and quality standards</i></p>	Throughout the year	Feeds into statutory requirement for authority to have 'effective IA function' + CIPFA Professional Requirement	SM, IA + QCA + IA Team	No impact	Achieved
11	<p>Liaise with CAFT on fraud and irregularity cases and on reviews with a specific objective of fraud prevention</p> <p><i>Output = co-ordinated approach to fraud and irregularity</i></p>	Throughout the year	Non-statutory Good Practice	SM, IA + IA Team	Input required from CAFT	Achieved
12	<p>To undertake follow-up reviews of all red &amp; red/amber reports within 3 months and all amber and amber/green reports within 6 months</p> <p><i>Output = follow-up review reports</i></p>	<p>Throughout the year</p> <p>Local PI – 100% of follow-ups started within specified timescale</p>	Feeds into statutory requirement for authority to have 'effective IA function' + CIPFA Professional Requirement	SM, IA + IA Team	Input required from all Directorates	Achieved
13	<p>Monitor client satisfaction with Internal Audit services</p> <p><i>Output = monitoring information to be fed into mid-year and year-end report</i></p>	<p>Throughout the year</p> <p>Local PI – 80% overall client satisfaction level</p>	Feeds into statutory requirement for authority to have 'effective IA function' + CIPFA Professional	SM, IA + QCA	Input required from all Directorates	Achieved – although issues identified with the process

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14	Plan and manage FMSiS external assessments of schools and report to Department for Children Schools and Families (DCSF)  <i>Output = External assessments + outturn report</i>	Q4, meet DCSF requirement	Statutory	SM, IA + Schools Auditor	Input required from schools + School Support Team	Achieved

## Project Planning

Management improvement tasks contributing to service improvement identified via the self-assessment against CIPFA Standards

	<b>Plan, project, or programme including</b> <ul style="list-style-type: none"> <li>• objectives</li> <li>• outcomes</li> <li>• measures of success</li> </ul>	<b>Responsibility</b> <ul style="list-style-type: none"> <li>• Manager</li> <li>• Officer</li> </ul>	<b>Timescale/ Milestones</b>	<b>Year-end Position</b>
	Implement action plan developed from IA self-assessment against CIPFA Code detailed below.  <i>Objective = to improve on current 80% compliance with professional requirements</i> <i>Outcomes = full compliance with professional requirements and more robust audit processes</i> <i>Measure of success = increased compliance with CIPFA standards demonstrated via 09/10 self-assessment</i>	Overall responsibility of the Service Manager, Internal Audit	During 2009/10 as per action plan below	Partially achieved – see below
1.1	Review and update the following in line with CIPFA Standards <ul style="list-style-type: none"> <li>• Internal Audit Terms of Reference</li> <li>• Internal Audit Strategy</li> <li>• Internal Audit Manual</li> <li>• Internal Audit Performance and Quality Framework</li> </ul>	SM,IA SM,IA Auditor (CC) QCA	October 2009 June 2009 October 2009 October 2009	Not achieved Not achieved Achieved Not achieved
1.2	Partnerships <ul style="list-style-type: none"> <li>• Consideration to be given to how assurance to be sought from partnerships in consultation with GARM Committee</li> <li>• Internal audit access rights to services delivered in partnership to be considered and agreed with Council's key partners.</li> </ul>	SM,IA	October 2009	Not achieved
1.3	Introduce system to obtain declarations of interest from temporary staff whether conflicts exist or not.	SM,IA	June 2009	Achieved
1.4	Reminder of ethical responsibilities to be added to IPADS to invoke 6 monthly reminder	SM, IA	October 2009	Not achieved – no mid year IPADs
1.5	To arrange for Internal Audit to receive copy of External Audit plan annually	SM,IA	July 2009	Achieved
1.6	To purchase CIPFA guidelines on auditor skills/competencies to ensure compliance	SM,IA	July 2009	Not achieved

1.7	Formal agreement to be reached on how risk registers will be updated as a result on Internal Audit work	SM,IA	October 2009	Partially achieved
1.8	Appropriate escalation process for internal audit recommendations not implemented to be reported to GARM to be established via more detailed reporting of follow-ups. Process to be agreed and recorded in the Audit Manual.	Auditor (CC)	July 2009	Achieved

### Service Performance Scorecard

	Indicator	Target
1	Overall client satisfaction	95%
2	Recommendations agreed for implementation	95%
3	Final reports issued on/ahead of time	85%
4	Projects completed within budgeted time allowance	85%
5	Target met for issue of draft report after end of fieldwork	85%
6	Follow-up undertaken	100%
7	Plan achieved for Key Control reviews	100%
8	Plan achieved overall (Key indicator)	90%

## Key Risks to Service and Project Delivery

Risk No.	Risk Description – what is the risk and its consequence	Mitigation in place	Risk Rating	What else are we doing?	Action Owner	Risk Owner	Risk Status (RAG)
1	Staff leave reducing capacity and ability to complete the annual plan.	Effective management of IA team, appraisal process	D2	Corporate well being programme, staff benefits	SM,IA	SM,IA	Amber
2	Major investigation needing to be resourced reducing capacity and ability to complete the annual plan/manage the IA team.	Time built into plan to cover investigations	C3		SM,IA	SM,IA	Amber

### Risk Rating Criteria

LIKELIHOOD		CRITERIA
F	Almost Impossible	0 – 2%
E	Very Low	3 - 9% (extremely unlikely)
D	Low	10 – 24% (low but could occur)
C	Significant	25 – 50% (fairly likely to occur)
B	High	51 – 80% (more likely to occur than not)
A	Very High	> 80% (almost certainly will occur)

IMPACT - THREATS		CRITERIA
I	Catastrophic	Key objectives would not be met or serious threat of fraud
II	Critical	Serious threat to achievement of objectives or potential threat of fraud
III	Marginal	Small effect on objectives
IV	Negligible	Trivial effect on objectives (will only report verbally)



Risk Scores - Threats	
C1-C2, B1-B2, A1-A2	High Risk
E1, D1-D2, C3, B3, A3	Medium Risk
F1-F4, E2-E4, D3-D4, C4, B4, A4	Low Risk

RISK RATING - THREATS					
L I K E L I H O O D	<b>A</b> Very High	Green	Orange	Red	Red
	<b>B</b> High	Green	Orange	Red	Red
	<b>C</b> Significant	Green	Orange	Red	Red
	<b>D</b> Low	Green	Green	Orange	Orange
	<b>E</b> Very Low	Green	Green	Green	Orange
	<b>F</b> Almost Impossible	Green	Green	Green	Green
		<b>4</b> Negligible	<b>3</b> Marginal	<b>2</b> Critical	<b>1</b> Catastrophic
<b>Impact</b>					