

INTERNAL AUDIT PLAN 2010/11

RELIANCE/ASSURANCE REVIEWS

Key Control Reviews

These reviews are designed to confirm the presence, or otherwise, of critical high level controls within each of the council's core financial systems. They are undertaken as part of a 3 year cycle in which each system will be reviewed at least once to satisfy the requirements of the External Auditors and to enable them to place reliance on the work of Internal Audit. Coverage of each system is assessed annually having regard to a range of risk factors including changes to systems and key personnel. For 2010/11 the following systems will be reviewed, managers will be asked to update systems notes and walkthrough tests will be undertaken to confirm systems in operation:

- **Payroll**
- **Council Tax**

In addition for the following systems managers will be asked to update systems notes, undertake a controls self assessment and walkthrough tests will be undertaken to confirm systems in operation:

- **Housing Rents**
- **Corporate Accounts Payable**
- **Corporate Accounts Receivable**
- **Housing Benefit**
- **NDR**

These reviews will be undertaken in the early part of the financial year to enable the External Auditor to utilise them for work on the 2009/10 accounts. At the conclusion of this work an assurance statement will be produced for the Chief Finance Officer for inclusion in the Annual Governance Statement.

Management Assurance

Co-ordination of the 09/10 annual management assurance exercise including reality checking and input to the 09/10 Annual Governance Statement plus follow - up of action planned and the development and instigation of the 09/10 exercise.

Corporate Governance

Organisation of the Corporate Governance Working Group, development of governance assurance processes, collection of governance evidence to support the Annual Governance Statement and support for the Corporate Governance Group and the Governance, Audit and Risk Committee.

Corporate Strategic Risk Group (CSRG)

Attendance and contribution to Strategic Risk Group

Information Governance Board

Attendance and contribution to the Information Governance Board

Corporate Independent Safeguarding Authority (ISA) Group
IA input into development of new arrangements for CRB checking

LAA Grant

Audit of grant outturn to verify that adequate processes in place to produce performance data.

Schools, Sports Partnership Grant (SSC5)

Reconciliation of grant claim to SAP and audit signoff

Young Peoples Learning Agency (YPLA) Grant Claim

Audit of grant return and review of assurance from College's Internal Audit providers with sample testing to be undertaken in this the first year of operation.

CORPORATE RISK BASED REVIEWS

Budget Management/Forecasting SR1

Review to cover role and responsibilities of accountants and Budget Managers, adequacy of policy/training/guidance covering budget management and budget forecasting, robustness of systems in place including processes to identify/deal with significant under/overspends and income and the impact of local budget management/forecasting on overall budget. The objective of the review is to strengthen weak budget forecasting process and ensure that falling income levels and increasing service costs are being adequately managed.

Transformation Programme – Engagement and Culture Change SR1 & SR2

A review of the Transformation Programme concentrating on Engagement and Culture Change to ensure that processes are robust and sufficient to meet the overall objectives/mitigate risks identified, covers all key areas of the Council, is being progressed according to the agreed plan across all Council departments, has been communicated effectively to staff, members and the public.

Delivery Plans

A review of the delivery planning process across the Council to ensure a consistent and robust process is in place, that each division has a delivery plan that covers all relevant service areas and clearly reflects the Council's strategic objectives and legal obligations. These are consistent with professional standards and the resources available, and reflect the management of the major service and budget risks. This review is carried forward from the 2009/10 plan.

National Indicator Set OR4

A review of high risk indicators to confirm robust processes for relevant indicators are in place.

IT REVIEWS

The following IT reviews are planned:

- Post implementation review of Civica records management (Housing & Planning)
- Framework I interface with SAP (credits a particular issue) and input of data (OR11) (Childrens & Adults)

DIRECTORATE RISK BASED REVIEWS

Treasury Management SR1

Review to include review of TM policy/strategy to ensure robust and fit for purpose, TM processes to ensure compliance with CIPFA code/guidance and a review of a sample of investments/deposits to assess the robustness of decisions made to invest soundly and spread risk. The objective of the review is to assess the adequacy, application and effectiveness of the policy/strategy/processes in place to mitigate the risk of an unsound investment strategy that enables investments/deposits to be placed that are not well researched or spread widely enough to mitigate risk to the Authority.

Capital Programme SR2

Review to cover adequacy/robustness of policy and procedures, in particular management and control, in place and compliance with the Prudential Code.

Parking Appeals Outcome Monitoring System

A review of the system for monitoring parking appeals to ensure that decisions made by the adjudicating body (PATAS) are picked up and actioned by the Council to minimise the risk of future successful appeals with particular emphasis on version control of forms used.

Housing Benefit Overpayments and Write-offs

A review of the processes in place to identify, raise and recovery or write-off overpayments including the identification of potential fraud and referring that as necessary to CAFT.

Housing Asbestos Management (part II)

A follow-up of the review undertaken in 2009/10 to ensure sufficient progress has been made with agreed action to improve the robustness of controls.

SCHOOLS

As all schools have now been assessed against the FMSiS Standard at least once the Internal Audit focus at schools will now be changed to reduce the audit support for FMSiS and reflect high risk areas identified as a result of the FMSiS assessments, the review of Risk Registers and risks identified by management.

- **FMSiS Awareness Session and Workshop**

Support for schools being external assessed during 2010/11 to include a self-assessment (check BH)

- **Financial Controls**

A review of financial controls in schools identified as weak in this area by Internal Audit, School Financial Services, the Advisors or the FMSiS self-assessment.

- **Application of Contract Procedure Rules**

Review of a sample of schools to determine application and effectiveness of contract procedure rules (an area identified as weak from External Assessments).

- **IT Data Security (OR10)**

Review of a sample of schools to assess the adequacy, application and effectiveness of controls in place to mitigate the risk of loss/misuse of data.

- **CCTV**

Review of a sample of schools to assess the adequacy, application and effectiveness of procedures in place to manage the use of CCTV within schools. (Risk identified during review of corporate arrangements for CCTV).

Schools FMSiS External Assessments

- 21 schools (using external support) – Internal Audit will manage and co-ordinate the reviews + 4 re-assessments.

CONTRACT MANAGEMENT

Internal Audit are currently in the process of developing an audit strategy for contract audit based on new CIPFA guidance. The strategy will outline the IA teams approach to contract audit over the next 3 years. The following contract to be reviewed in 2010/11:

- Highways Maintenance – Enterprise Mouchel (Environment)

SUPPORT, ADVICE & FOLLOW-UP

An allowance will be made in the plan for support and advice to managers across the Council and for the development of the Internal Audit service:

Suspected Financial Irregularities + Control Reviews

Guidance will be provided, in liaison with CAFT, to managers undertaking investigations and specific investigations will be undertaken on behalf of managers. Plus system control reviews will be undertaken where weakness have been identified as a result of fraud.

Professional Advice

Professional advice will be provided to managers, as required, on risk and control management/issues with particular emphasis being given to providing control advice for Lean Review outcomes.

Follow-up

Follow-up of Red and Amber reports to ensure implementation of agreed audit recommendations