INTERNAL AUDIT
DELIVERY PLAN
2011/12

Key Service Activities

	Activity levels & output description	Performance Indicators/ Timing	Statutory/ Non-Statutory	Lead + IA Team Resources	Impacts re partners, or other parts of council
1	Prepare risk based internal audit operational plan for 2012/13 *Output = operational plan + resource calculation*	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)
2	Co-ordination of the Corporate Management Assurance Programme + reporting to CSB & GARM *Output = Divisional, Directorate & Corporate Management Assurance Statements + covering report CSB/GARM*	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
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 *Output = AGS evidence table, AGS + reports to GARM/CSB*	Q4/Q1 mainly, reporting to CSB/GARM in August/September	Statutory requirement to produce AGS	SM,IA	Input from CGWG, CGG, managers + CSB/GARM

	Activity levels & output description	Performance Indicators/ Timing	Statutory/ Non-Statutory	Lead + IA Team Resources	Impacts re partners, or other parts of council
4	Achievement of internal audit operational plan 2011/12 *Output = IA reports*	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
5	Timely Achievement of Key Control reviews of core financial systems + update of core financial system notes + walkthroughs + co-ordination of self-assessments + add new KC reviews – TM + Capital *Output = IA reports + updated system notes*	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
6	Mid-year & year-end reporting to CSB & GARM + Quarterly improvement board reports *Output = mid-year + year end reports + quarterly improvement board reports*	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
7	Provide objective, constructive and timely support and advice to managers on SFIs, Fin Regulations, Risk Management and control improvement *Output = written & verbal advice & reports*	As required throughout year	Non-statutory	SM,IA + IA Team	Input from staff within Directorates as necessary
8	Feed into risk management process via attendance of Risk Steering Group and provision of audit reports to Risk Manager *Output = IA contribution to corporate risk*	Throughout the year	Non-statutory – recognised good practice	SM, IA + QCA	No impact

	Activity levels & output description	Performance Indicators/ Timing	Statutory/ Non-Statutory	Lead + IA Team Resources	Impacts re partners, or other parts of council
	management process				
9	Keep Audit Manual up to date *Output = updated audit manual*	Throughout the year	Non-statutory – CIPFA Professional Requirement	SM. IA + Auditor responsible (CC)	No impact
10	Audit reviews completed in accordance professional and local internal audit and quality standards *Output = audit reports and working papers that comply with CIPFA and local internal audit and quality standards*	Throughout the year	Feeds into statutory requirement for authority to have 'effective IA function' + CIPFA Professional Requirement	SM, IA + QCA + IA Team	No impact
11	Liaise with CAFT on fraud and irregularity cases and on reviews with a specific objective of fraud prevention *Output = co-ordinated approach to fraud and irregularity*	Throughout the year	Non-statutory Good Practice	SM. IA + IA Team	Input required from CAFT
12	To undertake follow-up reviews of all red & red/amber reports within 3 months and all amber and amber/green reports within 6 months *Output = follow-up review reports*	Throughout the year Local PI – 100% of follow-ups started within specified timescale	Feeds into statutory requirement for authority to have 'effective IA function' + CIPFA Professional Requirement	SM, IA + Assistant Auditor	Input required from all Directorates

	Activity levels & output description	Performance Indicators/ Timing	Statutory/ Non-Statutory	Lead + IA Team Resources	Impacts re partners, or other parts of council
13	Monitor achievement of IA performance indicators. *Output = monitoring information to be fed into mid-year and year-end report*	Throughout the year See Service Performance Scorecard below.	Feeds into statutory requirement for authority to have 'effective IA function' + CIPFA Professional Requirement.	SM, IA + QCA	Input required from all Directorates
14	Maintain ethical standards as laid out in CIPFA Code of Practice (Standard 3) cover*i*ng:. • Integrity • Objectivity • Competence • Confidentiality	To maintain an awareness and ensure compliance with the ethical standard in all professional undertakings.	CIPFA Professional Requirement	SM,IA + IA Team	No impact unless standards not maintained.

Project Planning

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

	Plan, project, or programme including • **objectives** • **outcomes** • **measures of success**	Responsibility • **Manager** • **Officer**	Timescale/ Milestones
1.1	Review and update the Internal Audit Terms of Reference in line with CIPFA Standards	SM,IA	October 2011
1.2	Formal agreement to be reached on how risk registers will be updated as a result on Internal Audit work	SM,IA	October 2011
1.3	Update of audit protocols in line with CIPFA guidance (see self-assessment)	SM.IA	October 2011

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	C2		SM,IA	SM,IA	Red

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

LIKELIHOOD		4 Negligible	3 Marginal	2 Critical	1 Catastrophic
	A Very High				
	B High				
	C Significant			2	
	D Low			1	
	E Very Low				
	F Almost Impossible				

Impact