

Internal Audit Plan Consultation

Summary

- 1 The purpose of the report is to seek members' views on the priorities for internal audit for 2016/17, to inform the preparation of the annual audit plan.

Background

- 2 Internal audit standards and the council's audit charter require internal audit to draw up an indicative audit plan at the start of each financial year. The plan must be based on an assessment of risk. In coming to a view on the risks facing the council, the opinions of the Audit and Governance Committee and senior council officers are taken into account.

2016/17 Audit Plan

- 3 The council continues to face budgetary pressures while trying to maintain the delivery of high quality services for the public. This inevitably means that procedures must be streamlined and this can effect the operation of controls. To reflect this, the 2016/17 planning process continues the approach adopted over the last few years, by targeting higher risk systems in areas including those:
 - where the volume and value of transactions processed are significant, or the impact if risks materialise is very high, making the continued operation of regular controls essential
 - areas of known concern, where a review of risks and controls will add value to operations

- areas of significant change where the audit work may focus on (a) direct support to projects (b) a review of project management arrangements, or (c) consideration of the impact of those changes on the control environment for example where the reduction in resources may result in fewer controls.
- 4 Figure 1 below sets out a number of areas considered to be a priority for internal audit for 2016/17.
- 5 Members' views are sought about whether:
- the proposed approach to determining priorities for the 2016/17 audit plan, set out above, is reasonable
 - there are areas in addition to those listed in figure 1 which should be considered as a priority for review.

Figure 1 – Priorities for Audit 2016/17

Area	Possible Work
Corporate & cross-cutting	<ul style="list-style-type: none"> • Performance Management • Contract Management • Budget Savings • Overtime
Information Governance	<ul style="list-style-type: none"> • Information security checks • Data Quality
Main financial systems	<ul style="list-style-type: none"> • Main Accounting System, Creditors, Debtors • Income Management • Payroll • Housing Rents • YFAS • Council Tax / NNDR • Council Tax Support and Housing Benefits
Project Management	<ul style="list-style-type: none"> • Community stadium • Budget savings • Transformation • New Service Delivery Models • EPHs
Adult Social Services	<ul style="list-style-type: none"> • Better Care Fund • Deprivation of Liberty Assessments

City and Environmental Services	<ul style="list-style-type: none"> • Traded services • Controls to prevent fraud
Children's Services, Education & Skills	<ul style="list-style-type: none"> • Schools audits including themed audits • Free Early Education funding
Communities & Neighbourhoods	<ul style="list-style-type: none"> • Public Health • Housing Repairs
ICT	<ul style="list-style-type: none"> • PCI DSS • Cybercrime

Consultation

- 6 This report is part of the ongoing consultation with stakeholders on priorities for internal audit work.

Options

- 7 Not relevant for the purpose of the report.

Analysis

- 8 Not relevant for the purpose of the report.

Council Plan

- 9 The work of internal audit supports overall aims and priorities by promoting probity, integrity and honesty and by helping to make the council a more effective organisation.

Implications

- 10 There are no implications to this report in relation to:

- **Finance**
- **Human Resources (HR)**
- **Equalities**
- **Legal**
- **Crime and Disorder**
- **Information Technology (IT)**

- **Property**

Risk Management Assessment

- 11 The council will fail to comply with proper practice if appropriate officers and members are not consulted on the content of audit plans.

Recommendations

- 12 Members are asked to;
- Comment on the proposed approach to internal audit planning for 2016/17 and identify any specific areas which should be considered a priority for audit.

Reason

To ensure that scarce audit resources are used effectively.

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Specialist Implications Officers Not applicable

Wards Affected: Not applicable

All

For further information please contact the author of the report

Background Papers None

Annexes None