

**CITY OF YORK COUNCIL
INTERNAL AUDIT PLAN 2018/19**





City of York Council's Internal Audit and Counter Fraud Service

Annual Internal Audit Plan 2018/19

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1. INTRODUCTION

- 1.1 This plan sets out the proposed 2018/19 programme of work for the internal audit service provided by Veritau for the City of York Council.
- 1.2 In accordance with proper practice¹, internal audit is required to prepare an indicative annual audit plan. The plan is based on a risk assessment model that is maintained by internal audit. The council's own risk management systems are also considered in forming a view on what audits to undertake. The audit plan is a working document, and changes are made throughout the year to reflect changes in risk and any issues that arise.
- 1.3 The content of the audit plan is subject to consultation with directors and other senior council officers, and is formally approved by the Audit and Governance Committee. Changes to the plan are agreed through the council's client management arrangements and are notified to the committee. Proposed audit work is also discussed with the council's external auditors, to ensure that there is no duplication of effort. Further details about the approach to audit planning can be found in the Audit Charter (latest version approved by the Audit and Governance Committee in June 2017).

2. 2018/19 AUDIT PLAN

- 2.1 The ongoing financial pressures faced by the council and the consequent need to review and adapt services are major factors affecting systems and controls. Veritau's priority for the immediate future continues to be to help support the council maintain an effective control environment in these challenging times. The approach to audit planning for 2018/19 follows that adopted over the last few years by providing a balance between regularity audits in areas such as the main financial systems where the volume and value of transactions processed are significant and regular audit is essential; and other reviews targeted towards areas of increased risk due to change. This includes:

¹ Proper practice is set out in the Public Sector Internal Audit Standards and specific guidance on these standards for local government, issued by CIPFA.



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- direct support to change projects - to provide advice and challenge on controls being implemented or changed, and project governance
- emphasis in other audit work on the appropriateness of control systems in the current climate, and key objectives to meet current needs (e.g. progress with savings plans).

2.2 Details of the 2018/19 plan are set out in sections 3 – 6 below.



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3. CORPORATE & CROSS CUTTING AUDITS

Days

Annual Governance Statement & Governance Support

5

Advice and support on corporate governance matters and support in preparing the council's annual governance statement.

Asset Management

25

A review of the arrangements for managing the council's fixed assets and systems for accounting for assets. This will include an assessment of arrangements for ensuring the council's assets are being used effectively.

Budgetary Control

25

A review of the arrangements for managing the council's financial budgets.

Corporate Complaints

15

A review of corporate complaints processes focussing on compliance with corporate procedures and standards.

Data Quality

20

An audit of systems for capturing key performance data, to ensure information used for management of the organisation is robust.

Equalities

15

A review of the collection and processing of equalities information collected as part of recruitment processes.

GDPR Readiness

15

A review of the council's readiness to meet requirements of the new General Data Protection Regulations.

Governance

20

A review of the council's governance arrangements in relation to CIPFA's latest 'Good Governance' publication.



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ICT - Asset Management	20
A review of arrangements for managing IT assets, including portable devices such as mobile phones, laptops and tablets. This may include the security of portable devices.	
ICT - Governance and Cyber Security	10
An audit of ICT governance arrangements and controls and risks relating to cyber security. This will follow-up work carried out in 2017/18.	
ICT - Licence Management	20
A review of arrangements for managing ICT software licences across the council.	
Information Security	15
An allocation of time for unannounced audit visits to council offices to ascertain the extent to which personal and sensitive data and information assets are protected.	
Insurance	15
A review of the council's procedures for dealing with insurance claims.	
Multi-Agency Incident Planning	15
A review of procedures to work with partners on areas such as terrorism threats, flooding and pandemics.	
Procurement and Contract Management	50
This will encompass a number of separate audits which may include reviews of specific procurement exercises and contract related issues. This will include a review of arrangements to assess and manage supplier resilience issues, following the collapse of Carillion in 2017/18.	
Project Management	50
An allocation of time for the review of project management arrangements within the council as well as support and advice for specific projects.	



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Scrutiny	20
A review of the operation and effectiveness of the council's arrangements for scrutiny.	
Workforce Planning	25
An audit of the council's arrangements for workforce planning including succession planning.	
TOTAL – Corporate & Cross Cutting Audits	380



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4. MAIN FINANCIAL SYSTEMS

Days

Council Tax & NNDR

25

A review of the systems for calculating Council Tax and NNDR liabilities, and the collection, recording and processing of payments.

Council Tax Support and Housing Benefits

20

A review of the arrangements for paying Housing Benefits and for administering the council tax support scheme. The audit will also consider the transition to Universal Credit.

Debtors

25

A review of the systems for raising debtor invoices and collecting income, credit control, and debt recovery arrangements.

Housing Rents

25

A review of the systems to collect, record, reconcile and monitor housing rents. The audit will also examine the arrangements for debt recovery.

Main Accounting System

25

A review of the arrangements for managing and maintaining the financial ledger.

Ordering and Creditor Payments

25

A review of the systems for ordering goods and services and processing creditor invoices.

Payroll

25

A review of payroll controls and processing

VAT Accounting

15

A review of key controls to ensure compliance with VAT accounting requirements.

TOTAL – Main Financial Systems

185



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5. DIRECTORATE AUDITS

Days

Children, Education and Communities (CEC)

Adult Education Service

15

A review of the systems in place to provide education courses to adults via York Learning.

Children's Social Care Funding and Budget Management

20

An allocation of time to review budget management systems within Children's Social Care.

Free Early Education Funding

25

A review of payments to private nursery providers. This includes the audit of registration records at a sample of nursery establishments, to ensure claims for funding are correct.

Schools

50

A programme of visits to schools as well as a number of themed audits including a review of Schools Budget Management. The audits are undertaken in accordance with a detailed risk assessment. The number of days for 2018/19 has been reduced due to the decrease in the number of maintained schools.

Schools Funding

20

An audit of the systems in place to allocate funding to schools.

Schools Maintenance Programme

10

A review of the procedures in place to provide maintenance services to schools.

Services to Schools

20

A review of the provision of paid services to schools including a review of income collection systems.



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Wenlock Terrace	15
A provision of time to assist in a review of contract arrangements and best value ahead of the contract renewal with the residential accommodation provider.	
 <u>Economy and Place (EP)</u>	
Capital Projects	25
A review of key controls and risks in relation to significant capital projects within E&P.	
Clean Air Data	15
An audit of the council's arrangement to review the quality of air within the City of York including data collection and reporting.	
Contract Management – Allerton Park	15
A review of contract management arrangements for the key contract with the Allerton Park Waste Recovery Plant.	
Contract Management – Park & Ride	15
A review of contract management arrangements for the key Park & Ride contract.	
Waste Services	30
A review of key risks in relation to Waste Services. The scope will be agreed with officers during the year and may include attendance management, agency staff, additional payments and personal protective equipment (PPE).	
Waste Services - Procurement	15
A review of procurement within Waste Services. This will build on some initial work carried out in 2017/18.	



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Health, Housing and Adult Social Care (HHASC)

ASC Absence Management	15
A review of the processes and procedures in place to manage absences within Adult Social Care.	
ASC Budget Management	40
An allocation of time to review budget management systems within Adult Social Care. This may encompass more than one audit and will include consideration of delayed discharges, winter funding pressures, care management processes as well as the delivery of agreed savings plans.	
Continuing Healthcare	15
A review of funding arrangements for adults where the NHS is responsible for full or part funding. This will build on some initial work carried out in 2017/18.	
CQC Improvement Plan	20
An allocation of time to support and review the council's response to the recent Care Quality Commission (CQC) review.	
Housing Development	25
A review of strategic arrangements for assessing housing need and managing housing development in the local area.	
Housing Fraud	20
A review of key risks in relation to housing fraud.	
Public Health – Health Protection Standards	15
A review of how well the council is meeting the national public health standards in relation to health protection	
Responsive Repairs	25
A review of the systems in place to provide responsive repairs to tenants of council housing. This will include invoicing for work completed.	



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Section 117 of the Mental Health Act (follow-up)	10
A follow-up of the agreed actions in relation to a previous audit of s117 of the Mental Health Act; specifically the aftercare of individuals and the arrangements with the NHS for this.	
TOTAL – Directorate Audits	475



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6. OTHER CHARGEABLE WORK

	<u>Days</u>
Audit and Governance Committee	30
Provision to prepare reports for the Audit and Governance Committee, attend meetings and prepare responses to queries on audit reports.	
Audit Planning	15
Preparation and monitoring of audit plans.	
Contingency Assignments	25
Provision to undertake additional work in response to:	
<ul style="list-style-type: none">• specific requests from the Director of Customer and Corporate Services (the S151 Officer) or the Audit and Governance Committee.• new or previously unidentified risks which impact on Strategic Audit Plan priorities• significant changes in legislation, systems or service delivery arrangements• requests from customers to audit specific services, systems or activities usually as a result of weaknesses in controls or processes being identified by management• urgent or otherwise unplanned work arising from fraud investigations which identify potential control risks.	
Data Analysis	10
An allocation of time for the development of data analysis techniques and specific data matching exercises, to enhance the delivery of planned audit work.	
External Audit Liaison	5
Provision for regular liaison and information sharing with Mazars.	
Follow Up Audits	50
Provision to follow up previously agreed audit actions.	



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Freedom of Information Act Requests	10
An allocation of time to provide responses to requests received by the council and to answer queries about audit work from councillors and the public.	
Support, Advice & Liaison	25
Provision to provide ongoing advice and support on the design, implementation and operation of appropriate controls and for the overall management of audit work in each department.	
TOTAL – Other Audit Work	170

TOTAL DAYS 2018/19	1,210
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