



Audit and Governance Committee

6 February 2019

Report of the Head of Internal Audit

Internal Audit Plan Consultation

Summary

- 1 The purpose of the report is to seek members' views on the priorities for internal audit for 2019/20, 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. The plan is also informed by the council's risk registers, information shared through local government audit networks and the results of recent audit work. The council's external auditors are also consulted to avoid possible duplication of work programmes and to maximise the overall benefit of audit activity.

2019/20 Audit Plan

- 3 The council continues to face significant budgetary pressures, increasing demand for services and a number of other challenges. To reflect this, the 2019/20 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. This may include providing direct support / challenge to projects, reviewing project management arrangements, or consideration of the impact of those changes on the control environment for example where the reduction in resources may result in fewer controls.
- 4 Internal Audit resources are limited and the audit plan is intended to ensure the available resources are prioritised towards those systems which are considered to be the most risky and/or which contribute the most to the achievement of the council's priorities and objectives.
- 5 Figure 1 below sets out a number of areas considered to be a priority for internal audit for 2019/20 as a result of our initial analysis and horizon scanning. Consultation meetings with senior officers are ongoing; therefore this should not be regarded as the complete list of audits. The draft plan will be presented to the next meeting of this committee for approval.
- 6 Members views are sought about whether:
- the approach to determining priorities for the 2019/20 audit plan, as set out above, continues to be 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 2019/20

Area	Possible Work
Corporate & cross-cutting	<ul style="list-style-type: none"> • Overtime • Health and safety • Assurance mapping • Procurement • Risk management • Corporate complaints • Apprenticeships • Brexit planning and preparation • Financial planning and resilience

<p>Information Governance</p>	<ul style="list-style-type: none"> • Information security checks • Data quality • Records management
<p>Main financial systems</p>	<ul style="list-style-type: none"> • Main accounting system, creditors, debtors • Payroll • Council Tax / NNDR • Council Tax support and housing benefits
<p>Project Management</p>	<ul style="list-style-type: none"> • Support and review of significant projects • Project risk management
<p>Health, Housing and Adult Social Care</p>	<ul style="list-style-type: none"> • Public health • Safeguarding • Budget management (High cost placements, market management, internal provision) • Homelessness • Housing delivery • Housing rents • Older people's accommodation • Integrated care partnerships • Community safety
<p>Economy and Place</p>	<ul style="list-style-type: none"> • York Central • Household waste • Taxi licensing • Cash handling • Environmental health • Contract management (gully repairs, street column replacement)

<p>Children, Education and Communities</p>	<ul style="list-style-type: none"> • Schools procurement & financial processes • Free early education funding • Schools funding • Special Educational Needs (Alternate provision, transport) • Adoption (regional adoption partnership, allowances, Special Guardianship Orders) • Contract management • Home to school transport • Use of agency staff and consultants • Joint Targeted Area Inspection action plan
<p>ICT</p>	<ul style="list-style-type: none"> • Licence management • Change management • Server administration & security • Communications security

Consultation

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

Options

- 8 Not relevant for the purpose of the report.

Analysis

- 9 Not relevant for the purpose of the report.

Council Plan

- 10 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

- 11 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

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

Recommendations

- 13 Members are asked to;
- Comment on the proposed approach to internal audit planning for 2019/20 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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**Report
Approved**



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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