

## **Internal Audit Plan Consultation**

### **Summary**

- 1 The purpose of the report is to seek members' views on the priorities for internal audit for 2017/18, 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 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.

### **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 2017/18 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 Figure 1 below sets out a number of areas considered to be a priority for internal audit for 2017/18. As consultation meetings are still ongoing 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.
- 5 Members views are sought about whether:
- the approach to determining priorities for the 2017/18 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 2017/18*

<b>Area</b>	<b>Possible Work</b>
Corporate & cross-cutting	<ul style="list-style-type: none"> <li>• Performance management</li> <li>• Contract management / contracts register</li> <li>• Whistleblowing</li> <li>• Scrutiny</li> <li>• Health &amp; Wellbeing Board</li> <li>• Overtime</li> <li>• Asset management (deferred from 2016/17)</li> <li>• Business continuity &amp; emergency planning</li> </ul>
Information Governance	<ul style="list-style-type: none"> <li>• Information security checks</li> <li>• Document management (deferred from 2016/17)</li> <li>• Data quality</li> <li>• Schools' information governance (follow up)</li> </ul>

Main financial systems	<ul style="list-style-type: none"> <li>• Main accounting system, creditors and debtors</li> <li>• Income management</li> <li>• Payroll (including the impact of IR35)</li> <li>• Housing rents</li> <li>• Council Tax / NNDR</li> <li>• Council Tax Support and Housing Benefits</li> <li>• Treasury management</li> </ul>
Project Management	<ul style="list-style-type: none"> <li>• Ongoing support / challenge to major projects</li> </ul>
Health, Housing and Adult Social Care	<ul style="list-style-type: none"> <li>• Better Care Fund</li> <li>• Deprivation of Liberty Assessments</li> <li>• Direct Payments</li> <li>• Public Health</li> <li>• Social care contracting</li> </ul>
Economy and Place	<ul style="list-style-type: none"> <li>• Procurement of sub-contractors</li> <li>• Section 106 Agreements</li> </ul>
Children, Education and Communities	<ul style="list-style-type: none"> <li>• Schools audits including themed audits</li> <li>• Free Early Education funding</li> <li>• Contributions to Care</li> </ul>
ICT	<ul style="list-style-type: none"> <li>• PCI DSS</li> <li>• ICT governance</li> </ul>

### **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 2017/18 and identify any specific areas which should be considered a priority for audit.

### Reason

*To ensure that scarce audit resources are used effectively.*

## Contact Details

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**Report  
Approved**



**Date** 26/1/17

## 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