

Annex 3

Variations to the Audit Plan

Additions to the Plan are considered where;

- Specific requests are received from the S151 Officer which are necessary for him to discharge his statutory responsibilities.
- New or previously unidentified risks result in changes to the Strategic Audit Plan priorities
- Significant changes in legislation, systems or service delivery arrangements occur which have an impact on audit priorities
- Requests are received 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 arises as a result of investigations into fraud and other wrongdoing identifying potential control risks

Additions to the Audit Plan are only made if the proposed work is considered to be of a higher priority than work already planned, the change can be accommodated within the existing resource constraints and the change has been reviewed and approved by the AD (Resources) Audit and Risk Management.

Audits are deleted from the Plan or delayed until later years where;

- specific requests are received from the S151 Officer or the audit customer and the grounds for such a request are considered to be reasonable
- the initial reason for inclusion in the Audit Plan no longer exists.

All additions and deletions are reviewed and approved by the AD (Resources) ARM who then reports all variations to the S151 Officer and the Audit & Governance Committee for information.

2006/07 Audit Plan Variations

The following variations to the Plan were approved by AD (Resources) ARM in 2006/07;

Audit	Days	Justification For Change
<u>Additional Work</u>		
Supporting People – Follow Up review	+ 10 days	Additional work required to review controls following the 2005/06 audit.
Petty cash and cash advances	+ 20 days	A review was required of the controls and procedures for administering petty cash throughout the Council due to concerns raised during an investigation into a cash discrepancy. The systems for paying cash advances through Cashiers also required review following the identification of weaknesses in control.
Money Laundering Procedures	+ 10 days	Work required to strengthen the Council's counter fraud arrangements in this area.
Reporting to Audit & Governance Committee	+ 10 days	Provision to prepare reports for A&G Committee and attend meetings
Oaklands Sports Centre	+ 8 days	Provision to review the controls associated with the new computerised invoicing system introduced as part of the extended school arrangements.
Financial Management Standard in Schools	+ 20 days	Provision required to develop appropriate audit systems/processes for implementing the FMSiS and presenting proposals to the Schools Forum. Provision also to undertake risk

		assessment and report findings to OGG.
External Audit liaison	+ 4 days	Provision for regular liaison and information sharing with the Audit Commission
Total additional work	+ 82 days	

Audit	Days	Justification For Change
<u>Deletions from the Audit Plan</u>		
Contingency Audits	- 60 days	To resource additional work (see above). Balance remaining – 30 days.
Neighbourhood Services – Finance and Administration	- 25 days	Request received for the audit to be deferred for 6 months following the appointment of a new finance manager.
City Strategy – York Training Centre	- 18 days	Audit to be deferred for 6 months due to service manager being sick and recent appointment of new AD.
Merge Sure Start and Children’s Services Administrative Sites	- 7 days	Potential overlap of audit work following the opening of Hob Moor, Clifton Green and Westfield Family Centres
LC&CS Capital Programme	- 20 days	To defer to 2006/07, in order to balance the Audit Plan to available resources. This area was audited in 2005/06 and no significant control weaknesses were identified.

Audit	Days	Justification For Change
HASS Capital Programme	- 8 days	To defer to 2006/07, in order to balance the Audit Plan to available resources. This area was audited in 2005/06 and no significant control weaknesses were identified.
City Strategy Capital Programme	- 20 days	To defer to 2006/07, in order to balance the Audit Plan to available resources. This area was audited in 2005/06 and no significant control weaknesses were identified.
Fraud Investigations	-14 days	Reduce contingency in order to balance the Audit Plan to available resources.
Housing Rents*	- 20 days	Delayed until May 2006/07 at the request of the service manager due to work pressures.
Total deletions	- 172 days	

* Not previously reported to Audit and Governance Committee.