

## **Internal Audit Plan Consultation**

---

### **Summary**

- 1 The purpose of the report is to seek Members' views on the priorities for internal audit for 2013/14, to inform the preparation of the annual audit plan.

### **Background**

- 2 In accordance with proper practice<sup>1</sup>, internal audit plans are prepared on the basis of a risk assessment. This is designed to ensure that limited audit resources are prioritised towards those systems and areas which are considered to be the most risky and/or which contribute the most to the achievement of the council's corporate priorities and objectives. Consultation with members and with senior council officers is an essential part of the risk assessment process, to ensure that their views on the risks facing the organisation are taken into account.

### **2013/14 Audit Plan**

- 3 It is intended to follow the same approach used in the last two years in setting the 2013/14 audit plan. Audits will include a mix of areas that have historically been a high risk (for example in areas such as the main financial systems where the volume and value of transactions processed are so significant that regular audit is essential) and other reviews targeted towards areas of increased risk due to change. Where changes are occurring, the audits may include (a) direct support to the change process itself, (b) reviews of the

---

<sup>1</sup> Proper practice is currently set out in the CIPFA Code of Practice for Internal Audit in Local Government in the UK. From April 2013 this will be replaced by the Public Sector Internal Audit Standards and specific guidance on these standards for local government, to be issued by CIPFA. The requirement for engagement with senior managers and members in the audit planning process will remain the same.

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. Figure 1 below sets out the areas which are felt to be a priority for internal audit for 2013/14.

- 4 Members views are sought about whether:
- a) the proposed approach to determining priorities for the 2013/14 audit plan, set out above, is reasonable
  - b) 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 2013/14*

<b>Area</b>	<b>Possible Scope of Work</b>
Impact of Office Moves	business continuity, staff travel, central document management (for example scanning and storage), home working (health and safety and IT implications)
Adult Social Care	direct payments
Major Projects	community stadium, libraries social enterprise
Human Resources	apprentices, sickness/absence management
Information Security	information security checks (to include West Offices and Hazel Court)
CANS	policies and procedures in place for undertaking private works, charging policies, and the management of surplus and scrap materials
Social care establishments	establishment audit focussing on security and cash handling procedures following the implementation of new procedures during 2012/13
Changes in Council Tax and NNDR rules	localisation of NNDR collection, Leeds City Region Business Rates Pool, new council tax support scheme (including crisis loans and community care grants)

Key Corporate Risks	capital programme, savings (planning, monitoring and achievement)
Main Financial Systems	general ledger, creditors, debtors, treasury management, income & cash handling, payroll
Public Health	planning, commissioning and management of new public health services

### **Consultation**

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

### **Options**

- 6 Not relevant for the purpose of the report.

### **Analysis**

- 7 Not relevant for the purpose of the report.

### **Council Plan**

- 8 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**

- 9 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

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

## Recommendations

- 11 Members are asked to;
- Comment on the proposed approach to internal audit planning for 2013/14 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

### Author:

Max Thomas  
Head of Internal Audit  
Veritau Limited  
Telephone: 01904  
552940

### Chief Officer Responsible for the report:

Ian Floyd  
Director of Customer & Business  
Support Services  
Telephone: 01904 551100

Report  
Approved



Date 31 January  
2013

## 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