**CITY OF YORK COUNCIL**

**Audit and Governance Committee**                    12 February 2014

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 2014/15, 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.

### 2014/15 Audit Plan

3 The proposed approach to audit planning for 2014/15 is similar to that followed over the past few years. Audits will include a mix of areas that are considered to be higher risk, including:

- systems 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 where the audit work may focus on (a) direct support to projects (b) a review of 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.

4   Figure 1 below sets out a number of areas considered to be a priority for internal audit for 2014/15.

5   Members' views are sought about whether:

- the proposed approach to determining priorities for the 2014/15 audit plan, set out above, is 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 2014/15*

| Area | Possible Work |
|---|---|
| adult social care | • contract management – third parties<br>• customer finances<br>• direct payments |
| human resources | • use of interims, specialist staff, and consultants - focus on value for money<br>• overtime and additional hours<br>• new iTrent modules |
| information governance | • information security checks<br>• data sharing and data transfer<br>• mobile working<br>• data quality |
| main financial systems | • general ledger, creditors, debtors, treasury, income & cash handling, payroll |
| major projects | • community stadium<br>• public engagement<br>• savings<br>• contract monitoring for new ventures<br>• Tour de France |
| other | • risk management<br>• freedom of information – progress with new systems |
| public health | • planning, commissioning and management of services |
| regularity / probity | • procurement<br>• asset disposals |

**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 2014/15 and identify any specific areas which should be considered a priority for audit.

    <u>Reason</u>
    *To ensure that scarce audit resources are used effectively.*
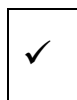
**Contact Details**

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| **Report Approved** | ✓ | **Date** | 28 January 2014 |
|---|---|---|---|

**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