

DRAFT ANNUAL AUDIT PLAN 2015/16

1. SUMMARY

- 1.1 This report introduces the draft Annual Audit Plan for financial year 2015/16.

2. RECOMMENDATIONS

- 2.1 To note proposed content and feedback any comments to the Chief Internal Auditor.

3. DETAILS

- 3.1 At the Audit Committee Development day it was agreed that a draft audit plan would be submitted to the December meeting of the Audit Committee to allow members to review proposals and feedback any comments to the Chief Internal Auditor prior to approving the finalised plan at the March meeting of the committee.
- 3.2 The Public Sector Internal Audit Standards (PSIAS) stipulate that the Council's internal audit plan must be risk based and focused on governance, risk and controls to allow the chief internal Chief Internal Auditor to provide an annual opinion on the Council's internal control framework, based on the work undertake during the year. This annual opinion informs the Annual Governance Statement.
- 3.3 The draft Annual Audit Plan in shown in Appendix 1. The audits detailed in the audit plan have been selected using a risk based assessment of our audit universe which is all of the auditable areas within the Council.
- 3.4 Factors used in the risk assessment process included the potential impact on the Council's corporate outcomes, the financial materiality, links to strategic risks, key changes within the operating environment, a review of complaints register and assurance received from other sources.
- 3.5 Consideration was also given to the requirement to provide an annual assurance statement, volume of transactions and impact on the Council's framework for internal control.

The Audit plan is broken down into 4 main areas which are;

- Continuous Monitoring
- Verification Reviews
- Cross Service Review
- Service Department Reviews

- 3.6 The Continuous Monitoring Programme includes a number of auditable units which were previously subject to individual annual audits. These areas are tested on a regular recurring basis with control weaknesses reported by exception.
- 3.7 Internal Audit undertake a number of Verification Reviews throughout the year. These reviews are primarily focused on testing and verifying areas such as grant claims and performance indicator submissions.
- 3.8 Cross Service Reviews include auditable units which are non-specific to an individual department or service area and which are of a corporate or organisational wide focus.
- 3.9 Service Department Review: Auditable Units within the Audit Universe which are specific to an individual department.
- 3.10 The plan is based on an estimated available 800 Audit day. An indicative outline scope is given for each of Auditable units. Full terms of reference will be discussed and agreed with relevant Head of Service.

4. CONCLUSION

- 4.1 The draft Annual Audit plan is risk based and is aligned to the Council's Long Term Outcomes, Corporate Outcomes and Strategic Risk Register. The plan now incorporates continuous monitoring and verification activity sections.

5. IMPLICATIONS

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| 5.1 | Policy: | None |
| 5.2 | Financial: | None |
| 5.3 | Personnel: | None |
| 5.4 | Legal: | None |
| 5.5 | Equal Opportunities: | None |
| 5.6 | Risk | None |
| 5.7 | Customer Service | None |

For further information please contact Internal Audit (01546 604294)

Kevin Anderson
 Chief Internal Auditor
 05 December 2014

Appendices:

- 1. Draft Audit Plan 15/16

Appendix1. Draft Audit Plan

Auditable Unit		Topic /Test area	Planned days	Outline Scope
Service Area	Sub Service			
Customer and Support Services	Revenue and Benefits	Housing Welfare Payments	20	Control Environment. Legislative Compliance and reporting arrangements
	Procurement	Pecos	20	Control Environment. Housekeeping and Reconciliations. Year End Processes
	Catering	School Meals	20	Arrangements for compliance with Children's and Young Peoples Act requirements
Facility Services	Transport	School Transport	20	Procurement including Contractual arrangements
	Asset Management	Survey Condition Arrangements / Lifecycle planning	20	Policies and Procedures including assessment and reporting.
Improvement and HR	Human Resources	Training needs analysis and provision of training	20	Training Need Analysis /Provision of Training arrangements arising for PRD's.
	Health and Safety	Recording and Reporting	15	Recording and Reporting arrangements.
Governance and Law	Licensing	Taxi	15	Compliance with Legislative requirements / Policy
	Homecare	Self Directed Support (SDS)	20	Monitoring and Claw-back Arrangements Counter Fraud.
Adult Services	Homecare	Resource Allocation System	20	Control Environment. Application of policy
	Hostels	National Care Standards	15	Compliance with National Care Standards
Children and Families	Early Years	Children and Young People Act – 600 hrs	20	Arrangements for compliance with CYPA
	Out of Authority Placements	Control Processes	15	Control Environment.
Community and Culture	Homelessness	Legislative compliance	15	Compliance with Legislative changes (Dec 12)
	Education - SQA Entries	Policies and Control	15	Policies and Control
Education	Education - Exclusions and Truancy	Policies and Controls	15	Policies and Controls
	Education - Looked after Children	Equality of provision	15	Access to Education services and support

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Service Area	Sub Service			
Economic Development and Strategic Transportation	Economic Development Action Plans	Delivery of Plans	25	Evidence of Action Plan delivery. Arrangements including monitoring, reporting and escalation.
	Townscape Heritage Initiative and Community Area Regeneration Schemes	Delivery of Outcomes	15	Evidence of project compliance / Delivery of Outcomes including monitoring and reporting.
	Piers and Harbours	Management Arrangements	20	Application / compliance with policy and procedures.
	Capital Projects	Scoping and Design Protocols	20	Scoping and Design Protocols
Roads and Amenity	Roads Maintenance	Prioritisation of Maintenance Protocols	20	Prioritisation Protocols.
	Enforcement /Retrospective permissions	Compliance	15	Arrangements for Enforcement / Retrospective Permissions
Planning and Regulatory Services	Single Outcome Agreement	Delivery Plan Monitoring	25	Arrangements for Delivery Plan monitoring, reporting and escalation.
	Health and Social Care Integration	Governance Arrangements	20	Governance Arrangements
Cross Cutting	Risk Management	Policy and Procedures	20	Review of Risk Assurance Mapping and Risk Appetite
	Disposals Policy	Policies	15	Arrangements in place for disposal of surplus /obsolete equipment and materials.
	Use of Electronic Signatures	Protocols	15	Policies and Controls
	Arrangements of prevention /detection of Fraud.	Anti-Fraud Strategy, Whistleblowing National Fraud Initiative	30	Anti-Fraud Strategy, Whistleblowing Policy National Fraud Initiative
	Performance Management	Scorecards	15	Accuracy of information including supporting documentation.

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Continuous Monitoring Programme	Budgeting	Cipfa Matrix Testing	12	Internal Control Environment
	General Ledger	Cipfa Matrix Testing	12	Internal Control Environment
	Creditors	Cipfa Matrix Testing	24	Internal Control Environment
	Debtors	Cipfa Matrix Testing	12	Internal Control Environment
	Payroll	Cipfa Matrix Testing	24	Internal Control Environment
	Establishment Visits (Cash)	Cipfa Matrix Testing	12	Internal Control Environment
	Treasury Management	Cipfa Matrix Testing	12	Internal Control Environment
	Council Tax and NDR	Cipfa Matrix Testing	12	Internal Control Environment
	Leader	File and Claim review	10	Evidence Compliance with award Criteria
	Flag	File and Claim review	10	Evidence Compliance with award Criteria
Verification	Airports	Aerodrome Operation Manual	10	Evidence Compliance with Aerodrome Operating Manual
	LGBF	Accuracy of Submission	10	Accuracy of Submission