
PROPOSED ANNUAL AUDIT PLAN FOR 2015/16

1 SUMMARY

- 1.1 The proposed 2015/16 annual audit plan is presented to Members for their consideration and approval.

2 INTRODUCTION

- 2.1 Under section 151 of the Local Government Act 1972 and the Accounts and Audit Regulations 2003 (As Amended), Internal Audit is responsible for ensuring that the Council has a proper system of Internal Control. This is achieved by carrying out a risk-based audit programme in a professional, independent manner, to provide the Council with an opinion on the level of assurance it can place upon the internal control environment, and to make recommendations to improve it.
- 2.2 The work of Internal Audit feeds into the Annual Governance Statement in the year-end financial accounts.

3 AUDIT PLAN

- 3.1 The proposed 2015/16 annual audit plan is attached as appendix 1. The plan is based on the following:-
- The plan is intended to ensure core financial systems are adequately reviewed to provide assurance that management has in place proper arrangements for financial control for which EY, the Council's new external auditor, can place reliance on.
 - No significant change in approach for 2015/16 to allow settling in for the new management structures under the redesign.
 - The need to ensure the maximisation of income due to the Council.
 - The need to consider the effectiveness of stated management controls in place in areas judged as high/medium risk within operational risk registers in areas outside of core systems, which receive more regular attention.
 - The need to have a contingency available for unplanned issues that may arise over the course of the year.

Preparation of the Annual Audit Plan

- 3.2 The core financial processes are fully reviewed and tested annually by Internal Audit, including whole year testing to provide complete assurance of controls.
- 3.3 The audit of the Housing Benefit Subsidy Claim 2014/15 is carried out on behalf of BDO, the 2014/15 external auditor, and assists in maintaining a lower fee.

- 3.4 The Leadership Team has been contacted to ensure any specific audit requirements that it might have for the coming financial year are addressed.
- 3.5 The underlying plan is fundamentally the same as that for 2014/15, bearing in mind the management changes arising from the redesign, the change in the external auditor, and the resources available.

Resources

- 3.6 Following the Council redesign, the Internal Audit team consists of two staff, one of whom is part-time but on maternity leave during 2015/16. At the time of writing this report a recruitment process was under way to employ a member of staff on maternity cover and the plan has been based on this additional member of staff being in post from 1 July.
- 3.7 The annual audit plan has been based on the assumption that there will not be a full complement of staff for this year. The number of available audit days for the annual audit plan has been determined after deducting time for training and normal administration requirements.

Reporting

- 3.8 The progress of the annual audit plan is monitored throughout the year and reported to Members during and at the end of each financial year. If there was to be a need for material changes to the plan (i.e. affecting over 20% of the planned assignments) a revised plan will be submitted to the Audit Committee for approval at the earliest opportunity. Members will also be advised of performance against the annual audit plan.

4 RISK IMPLICATIONS

- 4.1 Completion of the audit plan feeds into the annual assurance process. The plan maximises the use of resources within Internal Audit and any variation in resources, for whatever reason, may impact on the plan.

5 RECOMMENDATION

- 5.1 It is proposed that the Committee **RESOLVES**

That the 2015/16 audit plan be agreed.



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Background Papers:-

None

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APPENDIX 1

AUDIT AREA	PLANNED AUDIT DAYS
CORPORATE CONSIDERATIONS	
Corporate Governance The Accounts & Audit Regulations require an Annual Governance Statement to be published to provide assurance on systems of internal control and overall governance arrangements within the Council. Internal Audit is required to carry out an annual Self-assessment of its effectiveness against Public Sector Internal Audit Standards	26
Anti-Fraud and Corruption. A review of Anti-fraud and Corruption and Whistle Blowing policies and procedures throughout the Council.	10
FINANCIAL PROCESSES	
Cash & Banking	12
Bank Reconciliation*	3
Creditors*	14
Debtors	15
Year-end Sundry Debtors / Creditors Review	4
Investments*	8
Main Accounting System*	8
Payrolls	20

AUDIT AREA	PLANNED AUDIT DAYS
REVENUES & BENEFITS PROCESSES	
Council Tax	17
Business Rates	20
Housing Benefits	15
Housing Benefits Subsidy Claim 2014/15	24
National Fraud Initiative	10
IT SERVICES – ICT Security & Access	8
OTHER	
Contract Procedures – Review a sample of contracts for effective management	5
Income Collection – Review a sample of services areas to confirm collection of income due	10
Procurement Procedures – Reviewing procedures for purchasing goods or services to ensure compliance with Financial Regulations	10
Housing / Homelessness Procedures	5
Risk Management Controls – Review of a sample of service areas to confirm stated controls to mitigate risk are in present and are effective	10
Proactive & Reactive Checks –Includes Expenses Re-imburement, mileage claims, car park income, attending tender openings etc.	5
Disabled Facility Grants	5

AUDIT AREA	PLANNED AUDIT DAYS
Partnership Arrangements	5
OTHER TIME ALLOCATIONS	
Contingency Reserve	20
Follow-up and Advisory Work – Update committee reports, monitoring for implementation of recommendations,	15
Special Investigations (Actual as at 29/4/15)	15
TOTAL PLANNED AUDIT DAYS	319

Note: Items marked * include completion of 2014/15 Audit Work