
ANNUAL AUDIT PLAN FOR 2009/10

1 SUMMARY

- 1.1 The 2009/10 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.

3 AUDIT PLAN

- 3.1 The proposed 2009/10 Audit Plan is attached within Appendix 1. The plan balances the following requirements:-
- The need to ensure core financial systems are adequately reviewed to provide the assurance that management has in place proper arrangements for financial control for which External Audit can place reliance on;
 - The need to appropriately review other strategic and operational arrangements such as partnerships;
 - The need to consider effectiveness of controls in place in areas judged as high risk in the divisional risk registers;
 - The need to be able to contribute time towards specific value for money projects and/or service review work, as agreed with managers.
 - The need to have a contingency available for unplanned issues that may arise over the course of the year;
- 3.2 **Preparation of the Audit Plan**
- 3.3 The core financial systems are identified by External Audit and account for 32% of the Audit Plan. The Strategic & Partnership Management Team has already identified a rolling programme of partnership reviews. Heads of Service have been contacted for their specific audit requirements and the assurance framework determines a level of coverage needed for corporate governance work.

3.4 The divisional risk registers have been reviewed with no risks being rated as high. Assurance work will be undertaken to determine the effectiveness of the controls identified for risks on the divisional risk registers. The work will be targeted specifically at the area of risk and are not intended to be audits of the complete end to end process.

3.5 Resources

3.6 The Audit and Performance Management team consists of six staff, two of whom are part-time. The resources allocated to the Audit Plan do not include the two performance officers who have their own work plan but do include an element of the Audit & Performance Manager's time. Due to the nature of performance management work and audit work there are times when resources and information are shared between the two areas. Unless there is a particular staff shortage then the time tends to even out across the year.

3.7 The Audit Plan has been based on the assumption that we will have a full complement of staff for the year. The allocated number of available audit days has been determined after deducting time for training and administration.

3.8 Reporting

3.9 The progress of the Audit Plan is monitored throughout the year and reported to Members every six months. If there were to be a need for material changes to the plan (ie, affecting over 20% of the planned assignments) a revised plan will be submitted to the Audit Committee for approval. Members will also be advised of performance against the Audit Plan and on relevant indicators under the performance management framework.

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 2009/10 Audit Plan be agreed.

Yvonne Woodward

Head of Finance Audit and Performance Management

Background Papers:-

None.

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APPENDIX 1

<u>PROPOSED AUDIT PLAN 2009/10</u>	Core Audit	2008/09 Plan Days
<u>CORPORATE CONSIDERATIONS</u>		
Annual Governance Statement (AGS) The Accounts & Audit Regulations require an AGS to be published to provide assurance on systems of internal control and overall governance arrangements within the Council		23
Anti-Fraud & Corruption and Whistle Blowing Policy A review of anti-fraud and corruption procedures and measures through the Council.	Y	10
Comprehensive Area Assessment Audit & Performance Manager Review Time of Processes		14
Partnership Working A selection of Partnership arrangements will be reviewed. Current Planning for 2009/10 is "Local Strategic Partnership", "Thames Gateway South East", Thames Gateway Area Waste Joint Committee", "STAR Partnership" and Essex Online Partnership		25
National Indicators / Performance Indicators Best Value performance Indicators and Key Local Performance Indicators are audited to enable the External Auditors to place reliance and submit as "unqualified" to the Audit Commission		20
Performance Management Audit & Performance Manager Review Time of Performance Management Processes		10
Risk Management Audit & Performance Manager Review Time of Risk Management Process Review of Mitigating controls in Divisional Risk Registers		24

<u>FINANCIAL SYSTEMS</u>		
Cash and Banking	Y	15
Bank Reconciliation	Y	2
Creditors	Y	15
Debtors	Y	12
Investments	Y	5
Main Accounting System	Y	13
Payroll and Expenses	Y	16
<u>OPERATIONAL SYSTEMS</u>		
Customer Services - Document Imaging (Comino)		3
Contracts		5
Council Tax	Y	16
Disabled Facilities Grants (Follow-Up)		2
Elections - Review Allocation of Ballot papers		4
Environmental Services - Waste Management (Review of Bulky Household Waste Collection Services)		5
Handyman & Gardening Services (Follow-Up)		4
Health & Safety Procedures		5
Housing Benefits - Fraud Management		7
Housing Benefits - Operations	Y	25

Human Resources - PDR Process		5
Human Resources - Sickness Management		4
Income Collection - Corporate Review		18
IT Services - Security & Access	Y	10
Legal Services - Property Maintenance / Asset Management		5
National Fraud Initiative		5
NNDR	Y	15
Procurement		5
Transportation - Community Transport		5
<u>OTHER TIME ALLOCATIONS</u>		
Contingency		15
Follow Up & Advisory		25
Pro-Active Checks - Includes Flexi-time Management, Inventory Control, Petty Cash & Expense Reimbursement, Monitoring of Telephone Expenditure and Controlled Stationery		20
Re-Active Checks – Miscellaneous Items that require action		5
Value For Money and Service Reviews: - Information Security - Insurance – (as requested)		32
TOTAL AUDIT DAYS		449