
ANNUAL AUDIT PLAN FOR 2010/11

1 SUMMARY

- 1.1 The 2010/11 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 2010/11 audit plan is attached as appendix 1. The plan balances the following requirements:-
- The need to ensure core financial systems are adequately reviewed to provide assurance that management has in place proper arrangements for financial control for which the Council's External Audit can place reliance on.
 - The need to appropriately review other strategic and operational arrangements, such as partnerships.
 - The need to consider the effectiveness of controls in place in areas judged as high risk within the Corporate and 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 34% of the Audit Plan. Heads of Service have been contacted for their specific audit requirements for the coming financial year and the assurance framework determines a level of coverage needed for corporate governance work.
- 3.4 The Divisional Risk Registers have been reviewed with few risks being rated as high. Assurance work will be undertaken to determine the effectiveness of the controls identified to mitigate risks detailed in 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 management 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 there will be 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 was to be a need for material changes to the plan (i.e. affecting over 20% of the planned assignments) a revised plan would 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 2010/11 audit plan be agreed.

Yvonne Woodward

Head of Finance Audit and Performance Management

Background Papers:-

None.

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AUDIT AREA	CORE AUDIT	PLANNED AUDIT DAYS
CORPORATE CONSIDERATIONS		
<p>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 effective</p>		30
<p>Anti-Fraud and Corruption. A review of Anti-fraud and Corruption and Whistle Blowing policies and procedures through the Council.</p>	Y	12
<p>Review of Final Accounts Process</p>		6
<p>National Indicators / Performance Indicators National Indicators, retained 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</p>		20
<p>Performance Management Audit & Performance Manager Review Time of Performance Management Processes</p>		10
<p>Risk Management Audit & Performance Manager Review Time of Risk Management Process</p>		5
<p>Partnership Working A selection of Partnership monitoring arrangements will be reviewed and their relationships within the LAA / CAA</p>		25

AUDIT AREA	CORE AUDIT	PLANNED AUDIT DAYS
FINANCIAL SYSTEMS		
Cash & Banking	Y	15
Creditors	Y	16
Debtors	Y	12
Investments	Y	6
Main Accounting System	Y	10
Payroll	Y	15
OPERATIONAL SYSTEMS		
Council Wide – Contract Procedures		5
National Fraud Initiative Work		3
Procurement		8
Risk Management Controls		5
Proactive Checks - Includes Flexi-time Management, Inventory Control, Petty Cash & Expense Re-imburement, Monitoring of Telephone Expenditure and Controlled Stationery		25
Corporate Policy & Partnership Unit – Emergency Planning & Business Continuity and Health and Safety		10

AUDIT AREA	CORE AUDIT	PLANNED AUDIT DAYS
Elections Services – Review & Verify Ballot Papers Prior to Elections		10
Environmental Services – Grounds Maintenance, Street Cleaning and Waste Management Contracts		15
Public Health & Safety – Food Inspections		5
Licensing		5
Housing Services – Disabled Facility Grants		3
Handyman & Gardening Services Follow-up		2
Housing / Homelessness Operations		10
Human Resources – My Performance Review (MPR) Process		5
Information & Customer Services – Document Imaging		3
IT Services – IT Security & Access	Y	10
Legal Services – Cemetery Management & Land Charges		6
Property Maintenance / Asset Management		5
Leisure and Cultural Services – Contract Management		5
Leisure Operations		5

AUDIT AREA	CORE AUDIT	PLANNED AUDIT DAYS
Revenues & Benefits – Council Tax	Y	14
Fraud Management		7
National Non-Domestic Rates	Y	12
Housing Benefits and Housing Benefits Subsidy	Y	25
Transportation Services – Community Transport and Concessionary Fares		10
Voluntary Organisations – Grants Awarded To a selection of organisations		5
Woodlands and Park Management - Operations		5
OTHER TIME ALLOCATIONS		
Value for Money and Service Reviews		14
Contingency Reserve		15
Follow-up and Advisory Work		20
TOTAL PLANNED AUDIT DAYS		454