

Crawley Borough Council

	Report No: FIN/299	G
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Report to Audit and Governance Committee

13th March 2013

Internal Audit Annual Plan 2013 - 2014

1. Key Points

- 1.1 This plan is taken from Year 3 of the Strategic Internal Audit Plan for 2011-2013. Appendix A includes for each audit area an outline scope. A detailed scope and objectives for each audit will be agreed with Managers prior to the commencement of each individual review.
- 1.2 It has been normal practice to draw up a plan to cover the whole of the financial year, however, as things are less certain at the moment, due to the Purpose and Measures exercise that the Council is undertaking, and the appointment of the new external auditor (Ernst and Young), the Head of Finance, Revenues and Benefits has agreed that a rolling three month plan be put together, for presentation to every Audit and Governance Committee meeting.
- 1.3 The plan was reviewed by CMT members in February 2013 and the following plan agreed.

2. Recommendations

- 2.1 **The Committee is requested to approve the attached 2013 – 2014 Annual Internal Audit Plan.**

Dave Rawlings
Head of Finance, Revenues and Benefits

3. Background

- 3.1 This plan was drawn up using Year 3 of the Strategic Internal Audit Plan for 2011-2013 as the basis, and was revised based upon the outcome of the Audit and Risk Manager's discussions with Heads of Service, the Council's Strategic Risks, as identified by CMT and her knowledge of the authority and new and important initiatives facing it.
- 3.2 Under normal circumstances, a plan for the whole of the financial year would be drawn up. However, it has been agreed with the Head of Finance, Revenues and Benefits that a rolling three-month plan will be produced and presented to the Audit and Governance Committee at every meeting.
- 3.3 The reason for this is that the Council is currently undertaking an exercise which is looking at the Purpose and Measures of services and also the fact that the Council has a new external auditor and there may be areas that we will be required to accommodate in the forthcoming months.
- 3.4 The plan for the first quarter of the financial year contains the main audits to be undertaken and there are also a number of days set aside for fraud and investigation work (including that from the NFI work), Freedom of Information, fraud awareness and risk management training and the provision of advice on request.
- 3.5 Appendix A includes for each audit area an outline scope. A detailed scope and objectives for each audit will be agreed with Heads of Service prior to the commencement of each individual review.

4. Resourcing

- 4.1 Best practice dictates that an audit plan should be prepared to meet the audit needs of the organisation, regardless of the level of resources available to deliver the plan. If the days required exceed the days available, then it is for management to decide whether additional resources should be made available or whether they are happy to accept the risks involved of not doing some of the reviews, and which reviews should be omitted.
- 4.2 However, the plan for 2013/2014 has been prepared to reflect current budgetary constraints.
- 4.3 The service will be delivered exclusively in house and the 2013-2014 staffing budget available for the Audit and Risk Section is £165,500.

4.5 The attached plan breaks down into the following areas:-

Directorate	Days
Chief Executive's Directorate	2
Resources Directorate	45
Community Services Directorate	17
Environmental and Housing Directorate	20
Work Relating to no specific Directorate or Division	111
	195

4.6 In approving the plan, Members should consider whether:-

- the plan accurately reflects the audit needs of the Council;
- there are audits that should be included which have been omitted,
- whether there are topics that the Committee do not consider to require Internal Audit Coverage.

5. **Ward Members' Views**

The Strategic Internal Audit Plan does not affect any one specific ward.

6. **Staffing, Financial and Legal Implications/Powers**

The proposed plan is deliverable within existing resources.

7. **Other Implications**

None.

8. **Links to the Community Strategy and Corporate Plan**

The proposals contained in this report relate to the following key areas of the Community Strategy

Local Economy	y	Health and Social Care	y
Affordable Housing	y	Community Safety	y
Lifelong Learning	y	Local Environment	y

The following key principles are applicable:-

(i) Working together	y
(ii) Dignity, respect and opportunities for all	y
(iii) Leaving no-one behind	y
(iv) Making it last	y

The report relates to the following areas in which the Council operates to enhance the town and the quality of life of local people:-

- (i) Our Communities: (ensuring they are safe, healthy, cohesive and enjoyable) y
- (ii) Our Environment: (ensuring that it is attractive, clean, protected and sustainable) y
- (iii) Our Economy: (ensuring it is thriving, vibrant and prosperous) y
- (iv) Our Council: (ensuring it is engaging, transparent, business-like with a social conscience, cost-effective and a place-shaping community leader) y

9. Reasons for the Recommendation

One of the key roles of the Audit and Governance Committee is to review the Internal Audit Plan based on governance and risk assessments made in order to ensure that they are satisfied that adequate coverage is being given to those areas considered to be high risk.

10. Background Papers

None.

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APPENDIX A

INTERNAL AUDIT PLAN 2012/2013

Audit	Risk	Days	Comments
Chief Executive			
<i>Corporate Policy Division</i>			
Systems Thinking – Advice on risks/controls	High	2	To provide advice as required.
Total for Chief Executive		2	
Resources			
<i>Finance, Revenues and Benefits Division</i>			
Procurement including Joint Procurement Contracts	High	20	To assess whether the updated Procurement Code is being adhered to and to ensure that key risks have been considered in joint procurement contracts.
<i>People and Technology</i>			
Temporary Agency Staff	High	5	To review usage of the Manpower contract and confirm that where possible, temporary agency staff are being sourced via Manpower.
Computer Audit	High	10	To be determined based on the outcome of the ICT Risk Assessment to be undertaken in April 2013.
<i>Property Division</i>			
Commercial Properties including Rents	High	10	This review will concentrate on the maintenance of properties and the collection of rental income.
Total Resources		45	
Community Services			
<i>Community Services Division</i>			
Waste and Recycling	High	8	To review the tender evaluation process.
Ifield Millpond	High	3	This review will concentrate on the project management arrangements.
The Hawth – Contract Management	High	6	To ensure that the Hawth is being operated in line with the contract and that formal and appropriate monitoring arrangements are in place.
Total Community Services		17	

Audit	Risk	Days	Comments
Environment and Housing			
<i>Crawley Homes Division</i>			
Responsive Repairs	High	20	To confirm that the system of internal control is proportionate to the risks associated with the activity.
Total Environment and Housing		20	
Audits Relating to no Specific Directorate			
Follow Up Audits		3	
Other Work Relating to no specific Directorate or Division			
NFI		20	Set up, liaison with NFI, review matches and report back to NFI.
General Risk Work		8	To include writing procedures, liaison with departments.
Proactive Fraud Work		6	In line with Protecting the Public Purse.
Annual Governance Statement		10	The Audit and Risk Manager acts as Co-ordinator.
Investigations		19	To undertake investigations referred to the Audit and Risk Section.
Non specific advice/liaison		5	
Fraud Awareness Training		3	
Risk Management Training		6	
Dealing with FOI Requests		31	
Total No Specific Directorate or Division		108	
TOTAL DAYS		195	