

Crawley Borough Council

Report to the Audit Committee

11th March 2015

Internal Audit Annual Plan 2015 - 2016

Report of the Audit and Risk Manager – FIN 358

1. Purpose

- 1.1 The Committee has a responsibility to assess the adequacy of the Council's internal audit and risk management arrangements. This includes considering and reviewing the adequacy of the Internal Audit Budget and Resource Plan and approving the Internal Audit Plans ensuring that appropriate risk assessments have been carried out when formulating these.

2. Recommendations

- 2.1 The Committee is requested to make any recommendations they wish on the proposed 2015 – 2016 Annual Internal Audit Plan.

3. Reasons for Recommendations

- 3.1 The Audit Committee has responsibility to review the proposed Internal Audit Plan.

4. Background

- 4.1 The Council has a statutory duty to “undertake an adequate and effective internal audit of its accounting systems and of its system of internal control” – Accounts and Audit Regulations 2011 – Regulation 6. This responsibility is delegated to the Head of Finance, Revenues and Benefits.
- 4.2 The plan was reviewed by Corporate Management Team in February 2015, who indicated its support for the Plan proposed.

E

5 Supporting Information and Analysis

- 5.1 The 2015/2016 annual audit plan allows for examination of the main financial areas from a systems and from an IT perspective. It is key to ensuring the Council's finances remain properly controlled, whilst also undertaking strategic and service based work each with a varying risk to the organisation.
- 5.2 The plan also includes some specific reviews from previous audit work; this is to ensure the Council is being consistent in their approach to these areas year on year.
- 5.3 The plan continues to include coverage of specific key controls identified by Ernst & Young, the Council's external auditor, in support of their year-end work.
- 5.4 A total of 220 days has been set aside in the plan for the work that we will be undertaking as part of the shared service arrangement.
- 5.5 Appendix A includes an outline scope for each audit area. A detailed scope and objectives for each audit will be agreed with the Heads of Service prior to the commencement of each individual review.
- 5.6 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 in not doing some of the reviews, and which reviews should be omitted.
- 5.7 The service will be delivered using a mix of in-house staff and specialist external consultants.
- 5.8 In considering the plan, Members should consider whether:-
 - It accurately reflects the audit needs of the Council and the external auditors;
 - There are audits that should be included that have been omitted;
 - There are topics that the Committee does not consider to require Internal Audit cover.

6. Implications

- 6.1 The plan needs to provide sufficient coverage to meet the Council's statutory duty to undertake an adequate and effective internal audit plan.
- 6.2 The plan can be met with the proposed budget.

7. Background Papers

- 7.1 None.

Report author and contact officer: Gillian Edwards, Audit and Risk Manager
(01293) 438384

ENDS

APPENDIX A

INTERNAL AUDIT PLAN 2015/2016

Audit	Risk	Days	Comments
Fundamental Systems (including those identified by Ernst and Young)			
Ernst and Young Year End Testing	High	10	Based on 3 systems.
Council Tax	High	15	Annual review of fundamental system.
NNDR	High	10	Annual review of fundamental system.
Housing Benefit/Universal Credit	High	25	Annual review of fundamental system.
Creditors	High	10	Annual review of fundamental system.
Sundry Debtors	High	10	Annual review of fundamental system.
Payroll	High	12	Annual review of fundamental system.
Cash and Bank	High	10	Annual review of fundamental system.
Housing Rents	High	10	Annual review of fundamental system.
FMS	High	8	Annual review of fundamental system.
Budgetary Control	High	8	Annual review of fundamental system.
Asset Management	High	6	Annual review of fundamental system.
Treasury Management	High	5	Annual review of fundamental system.
Housing Repairs - Gas Servicing and Voids	High	15	The annual expenditure on housing repairs and the number of pieces of work qualify the areas as a fundamental system.
Procurement including Transparency Code	High	15	Scope of this review to be agreed by the Head of Finance, Revenues and Benefits.
Commercial Properties, inc Rents	High	10	The amount of income received qualifies this as a fundamental system.

Audit	Risk	Days	Comments
Capital Projects - Crawley Museum - Refurbishment of Playgrounds - Ifield Millpond - To be agreed		10 10 10 10	Internal Audit participates in major capital projects so as to be able to provide an assurance that appropriate controls are in place and working.
Other			
Grants to Voluntary Organisations	High	8	This work will seek to ensure that grants are being approved in line with laid down guidelines.
DWP CIS Security Compliance	High	4	An independent assessment is required by the DWP.
Corporate Governance	High	8	To inform the Audit and Risk Manager's Council-ordination of the Annual Governance Statement.
Risk Management Awareness and Training	High	10	We will identify training needs and provide risk management training to Middle Managers.
Election Expenses	High	10	This review will cover the expenses associated with the local and general election in May 2015.
Data Protection and Subject Access Requests	High	10	The overall objective of this audit will be to ensure that relevant staff are trained in, and comply with, the requirements of the Data Protection Act 1998 and that Subject Access Requests are dealt with in line with relevant legislation and guidance.
Play Service	High	8	To follow up on the issues raised in the Internal Audit review of the Play Service in the previous financial year.

Audit	Risk	Days	Comments
Computer Audit	High		The detail of the work carried out will be confirmed by the Head of Finance, Revenues and Benefits in consultation with the Head of People and Technology.
- Disposal of Hardware - To be agreed		10 30	
Follow Up Audits	High	28	
Contingency		50	
Other Work			
Freedom of Information Requests / Information Security		100	
Preparation of Annual Governance Statement		10	
Cheque Control/Bank Administration		4	
Audit Staff Training, studying and courses		20	
Liaison with External Auditor		6	
General Risk Work		10	
Sussex Audit Group		8	
Quality Control – Review of Files		25	
Office Admin		10	
Non specific advice/liaison		10	
Preparation of Annual Audit Plan/Review		10	
Staff Management		30	
Liaison with Head of Finance, Revenues and Benefits		12	
Committee Reports and Audit Committee attendance		20	
Public Sector Internal Audit Standards Compliance		5	
Public Sector Internal Audit Standards Peer Review		5	
Possible Election Duty		4	
Mid Sussex District Council		220	
Total Days		900	