

Crawley Borough Council

Report to the Audit Committee

9th March 2016

Internal Audit Annual Plan 2016 - 2017

Report of the Audit and Risk Manager – FIN 383

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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

The Committee is requested to make any recommendations they wish on the proposed 2016 – 2017 Annual Internal Audit Plan.

3. Reasons for Recommendations

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 CMT members in February 2016 and the following plan agreed.

5 Supporting Information and Analysis

- 5.1 The 2016/2017 annual audit plan allows for examination of the main financial areas from a systems and from an IT perspective, and 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 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.
- 5.4 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.
- 5.5 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.
- 5.6 The service will be delivered using a mix of in-house staff and specialist external consultants.
- 5.7 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.

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INTERNAL AUDIT PLAN 2016/2017

Audit	Risk	Days
Fundamental Systems (including those identified by Ernst and Young)		
Ernst and Young Year End Testing	High	5
Council Tax	High	8
NNDR	High	10
Housing Benefits	High	6
Creditors	High	8
Sundry Debtors	High	8
Payroll	High	8
Cash and Bank	High	8
FMS	High	5
Treasury Management	High	5
Housing Repairs – Cyclical Repairs	High	8
Capital Projects		
Museum	High	8
Town Centre Regeneration	High	8
Cemetery	High	8
Town Hall Refurbishment	High	8
Other		
Grants	High	8
BACS	High	5
Playgrounds	High	8
DWP CIS Security Compliance	High	4
Risk Management Awareness and Training	High	10
Waste Contract	High	10
HR	High	8
Car Parking Income	High	8
Parks and Open Spaces including Tilgate Park	High	12
Community Centres	High	10
Grounds Maintenance	High	10
Facilities Management and Security	High	10
Leasehold Services	High	8
Computer Audit	High	18
Follow Up Audits	High	10
Freedom of Information Requests		100
Specific to Audit and Risk Manager		
Liaison with External Auditor		6
Preparation of Annual Governance Statement		8
Quality Control and Review of Files		25
Staff Management		20
Liaison with Head of Finance, Revenues and Benefits		6

Audit Committee Reports and Attendance		18
Non-specific advice and liaison		6
Preparation of Annual Internal Audit Plan		6
PSIAS Peer Review		5
PSIAS Compliance		5
Sussex Audit Group		3
Study, training and courses		2
General Administration		2
Specific to Auditors		
Non-specific advice and liaison		4
Sussex Audit Group		3
Study, training and courses		4
Cheque control/bank administration		2
General Administration		4
Election Duty		4
Mid Sussex District Council 220		220
		703