

## Internal Audit Annual Plan 2012/13

(Submitted to Audit Committee, 18 April 2012)

### 1. ASSURANCE WORK

CORE FINANCIAL SYSTEMS		
Approach and objectives	Covers the following areas:	Planned Days
<p>Internal audit work in 2012/13 will draw on a comprehensive programme of audit testing developed during 2010/11 and 2011/12.</p> <p>The focus will be on those systems (selected from the areas listed alongside) which currently demonstrate higher levels of risk.</p> <p>The objective is to provide assurance that in practice, key system controls remain robust and are operating securely and efficiently.</p>	<ul style="list-style-type: none"> <li>➤ Main Accounting</li> <li>➤ Asset Management</li> <li>➤ Payroll</li> <li>➤ Ordering &amp; Payments</li> <li>➤ Sundry Debtors</li> <li>➤ Income Management</li> <li>➤ Treasury Management</li> <li>➤ Housing Rents</li> </ul>	60
<p><b>Revenues and Benefits Shared Service</b></p> <p>During the initial year of the shared service's operation, a wide ranging programme of audit work was undertaken. The planned audit programme for 2012/13 and beyond will draw on the results and be more focused and risk-based.</p>	<ul style="list-style-type: none"> <li>➤ Council Tax</li> <li>➤ Housing Benefit &amp; Council Tax Benefit</li> <li>➤ National Non-Domestic Rates</li> </ul>	85
CORE MANAGEMENT ARRANGEMENTS		
Approach and objectives	Covers the following areas:	Planned Days
<p>Assurance work in 2012/13 will focus on key corporate systems (selected from the areas listed alongside) with the objectives of:</p> <ul style="list-style-type: none"> <li>➤ providing assurance that newly introduced arrangements are fit for purpose;</li> <li>➤ existing arrangements remain robust and reliable; and</li> <li>➤ helping identify and implement efficiencies and improvement.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Financial Management</li> <li>➤ Performance Management</li> <li>➤ Human Resource Management</li> <li>➤ Risk Management</li> <li>➤ Information Management</li> <li>➤ Corporate Governance</li> <li>➤ Partnership / Shared Services Arrangements</li> <li>➤ Procurement &amp; Contract Management</li> <li>➤ Project and Programme Management</li> <li>➤ National Fraud Initiative</li> </ul>	110

<b>RISK BASED ASSURANCE WORK PROGRAMME</b>		
<b>Approach and objectives</b>	<b>The following areas are currently in progress or registered as potential audits in 2012/13:</b>	<b>Planned Days</b>
<p>Drawing on the Corporate Plan and Service Business Plans, the risk based programme is developed and reviewed in consultation with Directors and Service Heads, taking account of the nature and levels of risk in their spheres of activity.</p> <p>The main objective in this work is to provide assurance that:</p> <ul style="list-style-type: none"> <li>➤ sound arrangements are in place to identify and assess risks;</li> <li>➤ risks are being effectively managed;</li> <li>➤ value for money is being achieved.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Inventories</li> <li>➤ Complaints system</li> <li>➤ Festival Market Rents</li> </ul>	135
<b>FOLLOW-UP REVIEWS</b>		
<b>Approach and objectives</b>	<b>Covers the following areas:</b>	<b>Planned Days</b>
<p>Following the production of an Internal Audit report and assurance opinion, a follow-up review is undertaken at an agreed time (usually after 6 months) to review progress with the agreed action plan.</p> <p>Progress is reported to management and to the Audit Committee.</p>	<p>All Internal Audit reports which result in the production of an assurance opinion and action plan.</p>	60
<b>SUB-TOTAL – ASSURANCE WORK</b>		<b>450</b>
<b>2. CONSULTANCY WORK</b>		
<b>Work Area and Objectives</b>	<b>This Covers</b>	<b>Planned Days</b>
<p><b>Ad-Hoc Advice</b></p> <p>To provide an on-demand advice service in respect of day-to-day internal control, risk management and governance matters.</p>	<ul style="list-style-type: none"> <li>➤ Advice provided on request from employees and elected members;</li> <li>➤ Liaison with the external auditor and other agencies;</li> <li>➤ Publication of fraud alerts and other guidance notices;</li> <li>➤ Provision of training.</li> </ul>	65
<p><b>Support Work (projects and other support)</b></p> <p>To provide support and advice to management in the development and implementation of new policies, systems and projects.</p>	<p>Current support areas include:</p> <ul style="list-style-type: none"> <li>➤ Review of Financial Regulations and Contract Procedure Rules</li> <li>➤ Risk Management Steering Group</li> <li>➤ Information Management Group</li> <li>➤ Counter-fraud and corruption arrangements</li> </ul>	30
<b>SUB-TOTAL – CONSULTANCY WORK</b>		<b>95</b>

<b>3. OTHER</b>		
<b>Work Area and Objectives</b>	<b>This Covers</b>	<b>Planned Days</b>
<p><b>Non Audit Duties</b></p> <p>The professional standard regarding independence states that Internal Auditors should have no operational responsibilities.</p> <p>Internal Audit currently departs from this expectation in that the Internal Audit Manager currently shares Deputy Section 151 duties with the Accountancy Services Manager.</p>	<p>✦ Deputy Section 151 duties</p>	15
<b>4. AUDIT MANAGEMENT</b>		
<b>Work Area and Objectives</b>	<b>This Covers</b>	<b>Planned Days</b>
<p>Planning, Monitoring and Committee Work</p>	<p>✦ Development and updating of Internal Audit Strategic and Annual Plans;</p> <p>✦ Monitoring and review of activity;</p> <p>✦ Reporting to and attending Audit Committee / other member meetings</p>	55
<b>5. CONTINGENCIES</b>		
<b>Work Area and Objectives</b>	<b>This Covers</b>	<b>Planned Days</b>
<p>Investigations</p> <p>Requests to undertake investigative work are irregular and unpredictable</p> <p>At the time of preparing the plan the section was not involved in any ongoing investigations</p>	<p>✦ Investigating and reporting on alleged malpractice</p> <p>✦ Attending and submitting evidence to disciplinary hearings as necessary</p>	30
<p>General Contingency</p> <p>A general provision made to help accommodate unforeseen variations in demand for Internal Audit work during the year</p>	<p>✦ Additional calls for work, particularly in areas such as investigations, or in support of corporate initiatives/major projects.</p>	40
<b>TOTAL – ALL ACTIVITIES</b>		<b>685</b>