

Internal Audit Annual Plan 2013/14

(Submitted to Audit Committee, 24 April 2013)

1. ASSURANCE WORK

CORE FINANCIAL SYSTEMS		
Approach and objectives	Covers the following areas:	Planned Days
<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> <p>There will be a focus throughout this work on providing assurance on the robustness of measures to combat fraud and corruption</p>	<ul style="list-style-type: none"> ➤ Main Accounting ➤ Asset Management ➤ Payroll ➤ Ordering & Payments ➤ Sundry Debtors ➤ Income Management ➤ Treasury Management ➤ Housing Rents ➤ Anti-Fraud & Corruption Arrangements 	100
<p>Revenues and Benefits Shared Service</p> <p>Having completed two years of internal audit for the shared service, future plans can now be more focused and risk-based.</p>	<ul style="list-style-type: none"> ➤ Council Tax ➤ Housing Benefit & Council Tax Benefit ➤ National Non-Domestic Rates 	60
CORE MANAGEMENT ARRANGEMENTS		
Approach and objectives	Covers the following areas:	Planned Days
<p>Assurance work in 2013/14 will continue to focus on key corporate systems (selected from the areas listed alongside) with the objectives of:</p> <ul style="list-style-type: none"> ➤ providing assurance that newly introduced arrangements are fit for purpose; ➤ existing arrangements remain robust and reliable; and ➤ helping identify and implement efficiencies and improvement. 	<ul style="list-style-type: none"> ➤ Financial Management ➤ Performance Management ➤ Human Resource Management ➤ Risk Management ➤ Information Management ➤ Corporate Governance ➤ Partnership / Shared Services Arrangements ➤ Procurement & Contract Management ➤ Project and Programme Management ➤ National Fraud Initiative 	80

RISK BASED ASSURANCE WORK PROGRAMME		
Approach and objectives	The following areas are currently in progress or registered as potential audits in 2013/14:	Planned Days
<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 objectives in this work are to provide assurance that:</p> <ul style="list-style-type: none"> ➤ sound arrangements are in place to identify and assess risks; ➤ risks are being effectively managed; ➤ value for money is being achieved. 	<ul style="list-style-type: none"> ➤ Salt Ayre Sports Centre ➤ Visitor Information Centres ➤ Affordable Warmth ➤ Leases ➤ Corporate Property Service Contracts ➤ Festivals & Events 	140
FOLLOW-UP REVIEWS		
Approach and objectives	Covers the following areas:	Planned Days
<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>	All Internal Audit reports which result in the production of an assurance opinion and action plan.	60
SUB-TOTAL – ASSURANCE WORK		440
2. CONSULTANCY WORK		
Work Area and Objectives	This Covers	Planned Days
<p>Ad-Hoc Advice</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"> ➤ Advice provided on request from employees and elected members; ➤ Liaison with the external auditor and other agencies; ➤ Publication of fraud alerts and other guidance notices; ➤ Provision of training. 	65
<p>Support Work (projects and other support)</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"> ➤ Review of Financial Regulations ➤ Information Management Group ➤ Information Security and Public Services Network (PSN) project 	40
SUB-TOTAL – CONSULTANCY WORK		105

3. OTHER		
Work Area and Objectives	This Covers	Planned Days
<p>Non Audit Duties</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 Financial Services Manager.</p> <p>Work for Other Bodies</p> <p>During the fourth quarter of 2012/13, some minor audits were undertaken for other bodies. This has been dependent on the ability to release audit resources for this work; it is not clear at this stage whether/how the arrangement might develop.</p>	<p>✦ Deputy Section 151 duties (undertaken by the Internal Audit Manager)</p> <p>✦ Contingency to enable audit work to be undertaken on behalf of other bodies</p>	<p>15</p> <p>10</p>
4. AUDIT MANAGEMENT		
Work Area and Objectives	This Covers	Planned Days
<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>	<p>50</p>
5. CONTINGENCIES		
Work Area and Objectives	This Covers	Planned Days
<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>	<p>30</p>
<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>	<p>40</p>
TOTAL – ALL ACTIVITIES		690