

**TO: GOVERNANCE AND AUDIT COMMITTEE
27 MARCH 2012**

**INTERNAL AUDIT PLAN 2012/13
(Head of Audit and Risk Management)**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to set out the underlying principles applied in the Internal Audit planning process and seek the Governance and Audit Committee's approval of the Internal Audit Plan for 2012/13.

2 RECOMMENDATION

- 2.1 That the Governance and Audit Committee approve the Internal Audit Plan for 2012/13 attached at Appendix 1.**

3 REASONS FOR RECOMMENDATION

- 3.1 To ensure that the Council meets its statutory responsibility under the Accounts and Audit (England) Regulations 2011 to "undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control".

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 There is no alternative option.

5 SUPPORTING INFORMATION

Internal Audit Requirements

- 5.1 The Council delegates its statutory responsibilities for the provision of the internal audit service under the Accounts and Audit (England) Regulations 2011 to the Borough Treasurer.

- 5.2 The Regulations require conformance with the CIPFA Code of Practice for Internal Audit in Local Government which defines internal audit as follows:-

"Internal Audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources."

- 5.3 More specifically, Internal Audit aims to: -

- satisfy the legal requirements of a Local Authority Internal Audit Service and provide an annual opinion on the adequacy of the Council's control environment;

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- examine, evaluate and report independently and objectively on the adequacy of management's arrangements to secure the proper use of resources (economy, efficiency and effectiveness);
- assist management in achieving its objectives, managing its risks and establishing and maintaining adequate systems of internal control
- assist management, where appropriate, in the investigation of alleged fraud, theft, corruption or other irregularity; and
- ensure External Audit can continue to place reliance on Internal Audit's work, to avoid duplication and minimise audit fees.

5.4 Internal Audit provides independent assurance on the control environment and acts as a deterrent to would-be fraudsters but for Internal Audit to provide full assurance on all activities and transactions across the organisation, the Council would need to commit significantly more resources to internal audit services than is realistically available. Full assurance could only ever be achieved by checking every transaction and this would not deliver value for money. Internal Audit's work is planned so that Members and Officers can rely on Internal Audit to detect significant control weaknesses for the areas audited and transactions sampled and is hence directed to areas of greatest risk. Whilst Internal Audit reviews alone, although carried out with due professional care, cannot guarantee that frauds will be detected, Internal Audit is only one element of the framework in place to prevent and detect fraud and corruption. This includes the newly updated Anti-Fraud and Corruption Policy, the Anti- Money Laundering Policy, the Codes of Conduct for Members and Officers, the Whistle Blowing Policy and management actions to ensure effective internal control.

Development of the Annual Internal Audit Plan

Risking Methodology

5.5 Given the finite resources available to spend on internal audit, the Internal Audit Plan is risk driven to ensure that the audit resources available are targeted to focus on those areas of the Council's business that have the greatest influence on the achievement of its objectives. The formulation of the annual Internal Audit Plan started with a risk assessment of the Council's activities, assets and income and expenditure streams through consideration of the following risk factors:

- **Materiality** ~ this focussed on monetary value as given in budget plans and previous outturn to ensure that the Internal Audit Plan has adequate coverage of areas of high spend and income. The consideration of materiality also took into account the significance of the activity for the Authority for example where a monetary value cannot be clearly assigned such as corporate governance matters;
- **Fraud/Irregularity** ~ the potential risk of fraud or irregularity for individual activities was considered to ensure that areas of high risk, such as those involving cash handling are subject to regular audit;
- **Third Party Sensitivity** ~ emphasis has been placed on areas on which third parties place reliance. For example data quality which encompasses performance indicators reported to central government departments;
- **Internal Control Environment** ~ the expected robustness of the control environment based on previous audit opinions, local knowledge and feedback from Finance and other officers was taken into account. Where the control environment was assessed as weak, a higher priority was

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assigned to that activity when determining which areas would be included in the Plan;

- Time since the last audit ~ the elapsed time since the last audit was taken into consideration;
- Other Assurance Coverage ~ consideration was given to whether external inspections or external audits have been completed which would already provide the Council with assurance. For example fixed assets are subject to detailed audit by the Audit Commission as part of their audit of the financial statements and hence is not included in the Internal Audit Plan;
- The Likely Effectiveness of Audit ~ Given finite resources it is important that audit work focuses on areas where Internal Audit can add value and hence in determining what areas should be covered emphasis has been given to such areas which can provide assurance to management, for example school audits.

5.6 Following this risk assessment, a number of other factors were considered in producing the detailed Plan and these are summarised below.

Key Financial Systems

5.7 Emphasis has been placed on ensuring that there is audit coverage of the key financial systems which are fundamental to financial control at the Council and hence are included in the Internal Audit Plan each year. The 2012/13 Plan includes 161 days on key financial systems representing 27% of the total days in the Plan. These systems provide the underlying data for the annual financial statements audited by our external auditors. The Internal Audit Plan has been structured to ensure that the external auditors can place maximum reliance on the work of Internal Audit on the key financial systems thus minimising external audit fees in respect of the accounts.

Governance

5.8 The CIPFA Statement on the role of the Head of Internal Audit in public service organisations published in 2010 emphasises the role that the Head of Internal Audit in a public service organisation plays in delivering the organisation's strategic objectives by championing best practice in governance and giving an objective and evidence based opinion on all aspects of governance, risk management and internal control. The CIPFA Statement concludes that the demand for better public services within a complex environment has strengthened the need for effective governance and that Internal Audit is one of the cornerstones of effective governance. The Head of Audit and Risk Management meets with the Borough Treasurer on a monthly basis and with the Chief Executive on a quarterly basis to discuss audit and risk management issues. Each year, the Annual Plan incorporates aspects of governance arrangements for testing. For example, the 2012/13 Plan includes audits on access to the Department of Works and Pensions Customer Information System and compliance with Payment Card Industry Standards.

Probity

5.9 Probity audits provide assurance over the proper administration of the Authority's activities. In drawing up the annual Internal Audit Plan, focus has been placed on ensuring there is coverage of areas where in any organisation there is potential risk of abuse for example imprests.

Changes to Regulation, Procedures or IT Systems

5.10 Internal Audit reviews have been included in the Plan where significant changes to key procedures and processes have been identified or where new IT systems or

major upgrades are being implemented. Examples of reviews included for this reason are the audits of controls under the new agency (Commensura) and food (Acquire) ordering contracts.

Internal Audit Plan 2011/12

- 4.11 The Internal Audit Plan for 2012/13 is attached at Appendix 1 for the Committee's review and approval.

Resourcing Delivery of the Audit Plan

- 4.12 Delivery of the audits in the Council's internal audit plan is outsourced. During 2011/12 the contract for this service has been re-tendered in accordance with EU Procurement Regulations. The contract was awarded to Deloitte & Touche Public Sector Internal Audit Limited and commences on 1st April 2012. It is anticipated that two thirds of the planned audits will be delivered by Deloitte. The remaining audits will be undertaken by Reading Borough Council Internal Audit Services and Wokingham Borough Council Internal Audit Services through an agreement under S113 of the Local Government Act 1972 which permits local authorities to provide staffing resources to other authorities.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 Nothing to add.

Borough Treasurer

- 6.2 The 2012/13 budget includes provision of £199k for internal audit services. This Plan can be met from within these resources.

Equalities Impact Assessment

- 6.3 Not applicable.

Strategic Risk Management Issues

- 6.4 Robust internal audit arrangements are an important part of effective risk management. Audit plans should be targeted to areas of greatest risk to the Council and individual internal audit reviews should focus on controls in place to mitigate risk and highlight any gaps in assurance.

7 CONSULTATION

Principal Groups Consulted

- 7.1 The Chief Executive, Directors and Chief Officers at the Council, the Council's external auditors and the Council's internal audit services contractors (Deloitte).

Method of Consultation

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- 7.2 At the initial drafting stage, discussions were held with the Section 151 Officer, Directors and other key officers from all directorates. Meetings were held with the contractor's Computer Auditor and the Chief Officer: Information Services to discuss the proposed IT audits. The draft Plan was then formulated and circulated to the external auditors and to Directors for discussion at their DMTs and discussed with the Chief Executive. The draft was then adjusted to take on board all comments received before being reviewed by the Corporate Management Team. Feedback on the content of the draft Plan and timing of audits has been taken into account in the Plan attached at Appendix 1.

Representations Received

- 7.3 Not applicable.

Background Papers

2012/13 Budget Papers
Discussion notes

Contact for further information

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APPENDIX 1

SUMMARY OF ANNUAL INTERNAL AUDIT PLAN 2012/13

AUDIT	DAYS BY QUARTER				TOTAL DAYS
	Q1	Q2	Q3	Q4	
CORPORATE SERVICES	37	38	116	28	219
CHIEF EXECUTIVE'S OFFICE	0	15	0	7	22
ENVIRONMENT CULTURE AND COMMUNITIES	9	27	30	33	99
CHILDREN, YOUNG PEOPLE AND LEARNING	70.5	15	19.5	12	117
ADULT SOCIAL CARE AND HEALTH	13	23	39	19	94
COMPUTER AUDITS	18	8	15	8	49
TOTAL	147.5	126	219.5	107	600

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CORPORATE SERVICES

AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
FINANCE Treasury Management	Review and testing of controls over investment of Council's funds.	5	0	0	5	0	✓	✓ Financial and Economic		✓
Creditors	Review and testing of controls over authorisation and payment of supplier invoices.	12	0	0	12	0	✓	✓ Financial and Economic		✓
Debtors	Review and testing of controls over the recording, collection and write-off of debts.	12	0	0	12	0	✓	✓ Financial and Economic		✓
Main Accounting (including reconciliations)	Review and testing of controls over general ledger which is the basis for Council's financial reporting and accounts.	15	0	0	15	0	✓	✓ Financial and Economic		
Budgetary Setting and Control	Review and testing of controls over the setting, monitoring and control of revenue and capital budgets.	12	0	0	12	0	✓	✓ Financial and Economic		✓
Imprests	Review and testing of controls over and oversight of imprest accounts.	7	0	7	0	0	✓	✓ Financial and Economic		✓
Payroll and Pre-Employment Checks	Review and testing of controls in place to ensure salaries are accurately paid and only to individuals properly employed by the Council.	15	0	0	15	0	✓	✓ Financial and Economic Staffing		
Procurement Cards (excluding schools)	Review and testing of procedures and controls in	5	0	0	5	0	✓	✓ Financial and	✓	✓

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AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
	place over the new procurement cards following wider implementation across the Council.							Economic		
Mobile phones	Testing of controls over mobile phone recharges through the payroll	3	0	0	0	3		✓ Financial and Economic		
REVENUES								✓		
Cash Payments Management	Review and testing of controls over the collection, recording and banking of payments made to the Council including on line, cash, cheque and credit card payments.	10	0	0	10	0	✓	✓ Financial and Economic		✓
Council Tax	Review and testing of controls in place over calculation, billing and collection of Council Tax.	10	0	0	10	0	✓	✓ Financial and Economic		
NNDR	Review and testing of controls in place over calculation, billing and collection of non-domestic rates.	10	0	0	10	0	✓	✓ Financial and Economic		
DEMOCRATIC SERVICES								✓	✓	✓
Members expenses, allowances and hospitality	Review and testing of controls over the payments of members' expenses and allowances and the recording of hospitality.	7	0	7	0	0		✓ Financial and Economic		
Registration Services	The audit will cover the procedures and controls over the recording of births,	7	0	7	0	0		✓ Financial and Economic		

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AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
	deaths, marriages and civil partnerships to ensure that statutory responsibilities are met, controls over income from charges raised and controls over expenditure and imprests.									
PROPERTY SERVICES Transport	Audit of transport costs looking at controls over the ordering and payment of ad hoc transport services, adults and children's social care transport and home to school transport.	10	10	0	0	0		✓ Financial and Economic		
Bus MileageTransport Grant	Certification of grant claim	2	2	0	0	0		✓ Financial and Economic		
COUNCIL WIDE AUDITS Access to Department for Works and Pension Customer Information System (CIS)	Testing to ensure that service areas accessing CIS are complying with the conditions for using CIS	5	5	0	0	0		✓ Litigation and Legislation	✓	
Council wide Procurement	Review and testing of procurement controls.	15	0	0	0	15	✓	✓ Financial and Economic	✓	
HMRC and employment status	Review of employment arrangements for consultants, etc. The review will look at policies and testing of payments made to consultants.	10	10	0	0	0		✓ Financial and Economic	✓	
Facilities Management	The audit will review the arrangements for facilities	7	0	7	0	0		✓ Financial and		

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AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
	management across the Council.							Economic		
GENERAL										
FOLLOW UP OF RECOMMENDATIONS	Review of progress on implementation of agreed recommendations in previous audit reports.	20	5	5	5	5				
CONTINGENCY	Contingency days	20	5	5	5	5				
TOTAL		219	37	38	116	28				

CHIEF EXECUTIVE'S OFFICE

AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
COUNCILWIDE AUDITS										
Data Quality	Review of management information collated and monitored	15	0	15	0	0			✓	
Compulsory purchase payments (scheduled for quarter 4 but to be re-assessed at the start of quarter 4 to see if this needs to be deferred into 2013/14)	Testing of controls over the calculation and payment compulsory purchase order payments under the town centre project.	7	0	0	0	7		✓ Financial and Economic Town Centre Regeneration Project		
TOTAL		22	0	15	0	7				

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ENVIRONMENT CULTURE AND COMMUNITIES

AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
PLANNING AND TRANSPORT Highway Network Management	Audit of procedures and controls over the Council's arrangements for controlling works undertaken by utilities companies which impacts on the highway network, management of the highways and arrangements for ensuring compliance with the Council's statutory responsibilities. The audit will include review and testing of processes and controls for levying charges.	8	0	8	0	0		✓ Financial and Economic Litigation and Legislation		
Public transport and Concessionary Fares	The audit will focus on public transport subsidy, the application of the "calculator" and controls over concessionary fares.	8	0	0	0	8		✓ Financial and Economic		
CRC Scheme	Audit of procedures and controls over in place for ensuring compliance with the Carbon Reduction Commitment scheme	5	0	0	5	0		✓ Financial and Economic Litigation and Legislation		
ENVIRONMENT AND PUBLIC PROTECTION Street Cleansing	The audit will focus on procedures and controls put in place following restructure.	7	0	0	7	0		✓ Financial and Economic		
Street Lighting	The audit will review and test	7	0	7	0	0		✓		

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AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
	procedures and controls in place for programming and completing night scouting, expenditure on programmed street light replacement and reactive light replacement and controls of expenditure on traffic signals.							Financial and Economic		
Winter Weather Plan	The audit will review and test procedures and controls in place over expenditure under the winter weather plan including variable expenditure for gritting of highways.	5	5	0	0	0		✓ Financial and Economic		
Landscape Services	The audit will review recording arrangements for the inventory of sites/locations to which services are provided and audit and test procedures and controls over expenditure and stock and the robustness of risk management procedures operating within the service. The review will be timed to take into account the closure of the nursery and check controls over assets during the closure process.	7	0	7	0	0		✓ Financial and Economic		
Regulatory Services	The audit will follow up the recommendations from the previous audits undertaken in trading standards, licensing and environmental health but will also focus on management controls and testing of controls over income put in place following restructuring.	10	0	0	0	10		✓ Financial and Economic Litigation and Legislation		
LEISURE AND CULTURE Easthampstead Conference	Detailed follow up and testing focussing on the key areas of concern highlighted by the weaknesses and recommendations raised at the	5	0	5	0	0		✓ Financial and Economic		✓

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AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
Centre	2011/12 audit.									
Coral Reef	The audit will include review and testing of controls over the collection of income including car par discounts/charges, petty cash, imprests, inventory, fixed assets and incurring and approval of expenditure.	7	0	0	7	0		✓ Financial and Economic	✓	
The Look Out	The audit will include review and testing of controls over the collection of income including car par discounts/charges, petty cash, imprests, inventory, fixed assets and incurring and approval of expenditure.	5	0	0	5	0		✓ Financial and Economic	✓	
Libraries	The audit will include some sample visits (to still be determined and to take into consideration the timing of planned refurbishments for 2012/13) to review local processes including those over ordering, receipting and recording, budget monitoring, income, petty cash and inventory controls. The audit will also include review of procedures and controls in place to recover non-returned items.	6	0	0	6	0		✓ Financial and Economic	✓	
Countryside and Parks	The audit will review and test controls over expenditure, income, imprests and inventory.	5	0	0	0	5		✓ Financial and Economic		
Cash Spot checks	Probity checks at a sample of leisure sites	3	0	0	0	3		✓ Financial and Economic	✓	

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AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
GRANT CLAIMS <i>Integrated Transport Grant (in-house)</i>	<i>Audit of grant claim</i>	4	4	0	0	0		✓ Financial and Economic		✓
COUNCIL WIDE AUDITS (CMT) Acquire Food Agent	The audit is Council wide but is noted here given that the category manager for the procurement is the Chief Officer: Leisure and Culture. The audit will be carried out once the contract has bedded in and will focus on compliance with controls over ordering, purchasing and payment approval.	7	0	0	0	7		✓ Financial and Economic		✓
TOTAL		99	9	27	30	33				

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CHILDREN, YOUNG PEOPLE AND LEARNING

AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
LEARNING AND ACHIEVEMENT Edgbarrow Secondary	Review of key budgetary and financial controls, procurement and pre-employment checks.	5	5	0	0	0		✓ Financial and Economic Staffing		✓
Garth Hill College	Review of key budgetary and financial controls (including detailed review of controls over asset management), procurement and pre-employment checks.	6	6	0	0	0		✓ Financial and Economic Staffing		✓
Sandhurst Secondary	Review of key budgetary and financial controls, procurement and pre-employment checks.	5	5	0	0	0		✓ Financial and Economic Staffing		✓
Kennel Lane Special School	Review of key budgetary and financial controls, procurement and pre-employment checks.	5	0	0	5	0		✓ Financial and Economic Staffing		✓
Ascot Heath Infant	Review of key budgetary and financial controls, procurement and pre-employment checks.	3.5	3.5	0	0	0		✓ Financial and Economic Staffing		✓
Binfield Primary (Follow up of	Follow up due to limited assurance conclusion in	3.5	3.5	0	0	0		✓ Financial and		✓

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AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
limited)	20011/12							Economic Staffing		
Cranbourne Primary	Review of key budgetary and financial controls, procurement and pre-employment checks.	3.5	3.5	0	0	0		✓ Financial and Economic Staffing		✓
Holly Spring Infant & Nursery	Review of key budgetary and financial controls, procurement and pre-employment checks.	3.5	3.5	0	0	0		✓ Financial and Economic Staffing		✓
Jennett's Park	Review of key budgetary and financial controls, procurement and pre-employment checks.	3.5	3.5	0	0	0		✓ Financial and Economic Staffing		✓
The Pines	Review of key budgetary and financial controls, procurement and pre-employment checks.	3.5	3.5	0	0	0		✓ Financial and Economic Staffing		✓
St. Margaret Clitherow	Review of key budgetary and financial controls, procurement and pre-employment checks.	3.5	0	0	3.5	0		✓ Financial and Economic Staffing		✓
Uplands Primary	Review of key budgetary and	3.5	3.5	0	0	0		✓		✓

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AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
	financial controls, procurement and pre-employment checks.							Financial and Economic Staffing		
School Improvement	Testing of procedures and controls over school improvement strategies. The review will include testing of controls over expenditure and income including recharges.	5	0	5	0	0		✓ Financial and Economic		
Education Welfare Services	Testing of procedures and controls in place to ensure the statutory responsibility for school attendance and education and regulation of child employment.	7	7	0	0	0		✓ Litigation and Legislation Safeguarding of Children and Vulnerable Adults		
Governor Services	Testing of procedures and controls over training development and support for governors. The audit will include review of budget monitoring arrangements and testing of controls over expenditure.	5	5	0	0	0		✓ Financial and Economic	✓	
CHILDREN'S SOCIAL CARE Fostering	Testing of procedures and controls for assessment and payments of foster carers.	7	0	0	0	7		✓ Financial and Economic Demands for Services		

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AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
								Safeguarding of Children and Vulnerable Adults		
Residential Social Care Placements	Testing of procedures and controls for the placing and payment of residential placements. The audit will exclude school placements.	4	0	0	4	0		✓ Financial and Economic Demands for Services Safeguarding of Children and Vulnerable Adults		
Family Centre	Establishment visits to review controls including those over income, expenditure, staff costs, imprests and stock.	3	0	3	0	0		✓ Financial and Economic		✓
STRATEGY, RESOURCES AND EARLY INTERVENTION Safeguarding Risk Management Framework	The review will identify and draw together the framework for management of safeguarding risks.	5	5	0	0	0		✓ Safeguarding of Children and Vulnerable Adults	✓	
School census	Sample testing of school census data used as basis for funding allocation	7	7	0	0	0		✓ Financial and Economic Demands for Services		
Youth Services	The review will take place following the reshaping of the	7	0	7	0	0		✓ Financial and		✓

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AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
	service to advise and assist in the development of the new systems and procedures.							Economic		
Off -site activities	Follow up 2010/11 audit which concluded limited assurance	7	0	0	7	0		✓ Financial and Economic Litigation and Legislation	✓	
YPLA Grant Return	Sample testing to provide assurance to the S151 Officers to sign off the YPLA Grant return	6	6	0	0	0		✓ Financial and Economic Litigation and Legislation		✓
Follow Up	Contingency for follow up of previous recommendations in schools	5	0	0	0	5				
TOTAL		117	70.5	15	19.5	12				

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ADULT SOCIAL CARE AND HEALTH

AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
ADULTS AND COMMISSIONING Headspace	Contingency for follow up of recommendations raised at the 2011/12 audit which concluded only limited assurance could be given should the external transfer of Head space not go ahead.	3	0	0	3	0		✓ Financial and Economic		✓
Mental Health	Review of compliance with controls and delegations over eligibility, assessment of need and approving care packages. The review will include testing of new referrals and will also include sampling of existing packages to check controls over package creep.	7	0	0	7	0		✓ Financial and Economic Demands for Services Safeguarding of Children and Vulnerable Adults		✓
OLDER PEOPLE AND LONG TERM CONDITIONS Emergency Duty Team	Follow up audit following the limited assurance conclusion at the 2011/12 audit	5	0	5	0	0		✓ Financial and Economic		✓
Older People	Review of compliance with controls and delegations over eligibility, assessment of need and approving care packages. The review will include testing of new referrals and will also include sampling of existing packages to check controls over package creep.	7	0	0	0	7		✓ Financial and Economic Demands for Services Safeguarding of Children and		✓

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AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
								Vulnerable Adults		
Community Response and Reablement	Establishment visits to review controls including those over income, expenditure, staff costs, imprests, client monies and stock.	5	0	5	0	0		✓ Financial and Economic		✓
PERFORMANCE AND RESOURCES CONTROCC	Review of effectiveness and compliance with controls over payments made via CONTROCC. The review will take place after e payments has been introduced. (NB this forms part of the key financial systems)	7	0	0	7	0	✓	✓ Financial and Economic		✓
Financial Assessments	Review of controls for ensuring that financial assessments and benefits checks are conducted as required and properly documented and all assessments/ benefits checks are subject to adequate checking and review.	7	0	0	0	7		✓ Financial and Economic		✓
HOUSING										
Housing & Council Tax Benefits	Audit of controls in place over entitlement, calculation and payment of housing and Council Tax benefits.	15	0	0	15	0	✓	✓ Financial and Economic		✓
Housing Benefit Spot Checks	Additional spot checking of the assessment of benefits.	16	8	8	0	0	✓	✓ Financial and Economic		✓
Council Tax Benefits Reforms	Review of preparedness for introducing changes to Council Tax benefits.	5	0	0	0	5	✓	✓ Financial and Economic		✓

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AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
								Litigation and Legislation		
Housing Rents/Deposits	Review and testing of procedures and controls in place for recording and collecting monies provided for rents and housing deposits. The audit coverage will include debt management and the writing off of debts and basic IT access and security controls.	5	5	0	0	0		✓ Financial and Economic		✓
GENERAL Commensura Agency Contract	The audit is Council wide but is noted here given that the category manager for the procurement is the Chief Officer: Older People and long term Conditions. The audit will be carried out once the contract has bedded in and will focus on compliance with controls over ordering, purchasing and payment approval.	7	0	0	7	0		✓ Financial and Economic		✓
Transfer of Public Health	Review of financial arrangements for transfer of funding arising from the reforms.	5	0	5	0	0		✓ Financial and Economic		
TOTAL		94	13	23	39	19				

Unrestricted

**COMPUTER AUDITS
SUMMARY OF COMPUTER AUDIT DAYS**

AUDIT	DAYS BY QUARTER				TOTAL DAYS
	Q1	Q2	Q3	Q4	
CORPORATE SERVICES	13	8	15	8	44
CHIEF EXECUTIVE'S OFFICE	0	0	0	0	0
ENVIRONMENT CULTURE AND COMMUNITIES	0	0	0	0	0
ADULT SOCIAL CARE AND HEALTH	5	0	0	0	5
CHILDREN, YOUNG PEOPLE AND LEARNING	0	0	0	0	0
TOTAL	18	8	15	8	49

Unrestricted

CORPORATE SERVICES										
AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY IT SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
Agresso	Audit of the upgrade of the Agresso financial system from Version 5.4 to Version 5.5. ((Brought forward from 2011/12 Plan)	5	5	0	0	0	✓			✓
Disaster Recovery	Audit of the effectiveness of procedures in place for disaster recovery and compliance with arrangements for testing and verification.	6	3	0	0	3		✓	✓	
Back Ups	The audit will review the effectiveness of procedures and controls in place for the back-up of the Council's IT systems and check that these are being properly complied with.	5	5	0	0	0		✓	✓	
Physical and Environmental Controls	Physical and environmental security controls in place for key IT systems and assets. The audit will include controls in place over key hosted services on web based applications.	8	0	8	0	0		✓	✓	
Compliance with PCI Data Security Standards	The process for ensuring the Council complies with the requirements of the Payment Card Industry Data Security Standards relating to the collection and processing of customer credit and debit card details. The audit will be Council wide.	5	0	0	0	5	✓	✓ Loss of systems and data	✓	
Adherence to	Ongoing compliance with the	5	0	0	5	0		✓	✓	

Unrestricted

CORPORATE SERVICES										
AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY IT SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
Government Connect	requirements of GSi Code of Connection with specific focus on changes to requirements.									
Information Security and Information Risks	The audit will review the policies and procedures in place for ensuring the security of information and identifying, controlling and monitoring information risks.	10	0	0	10	0		✓	✓	✓
TOTAL		44	13	8	15	8				

ADULT SOCIAL CARE AND HEALTH										
AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY IT SYSTEM	LINK TO STRATEGIC RISKS	LINK GOVERNANCE ARRANGEMENTS	PROBITY
			Q1	Q2	Q3	Q4				
CONTROCC	Audit of IT controls over the Controcc software within IAS used for financial payments and personal budgets. The audit will assess the adequacy and effectiveness of internal controls in operation over access, data input and processing, output, interface, audit trail and arrangements for backup and recovery. (NB. Audit deferred from 2011/12 so that the new audit contractor could undertake the audit)	5	5	0	0	0	✓			✓
TOTAL		5	5	0	0	0				