

AUDIT COMMITTEE

11 March 2014

INTERNAL AUDIT PLAN 2014 - 2015

REPORT OF THE HEAD OF SOUTHERN INTERNAL AUDIT PARTNERSHIP

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RECENT REFERENCES:

AUD065 - Internal Audit Plan 2013 - 2014 (Revised) (24 September 2013)

EXECUTIVE SUMMARY:

The purpose of this paper is to provide the Audit Committee with the Internal Audit Plan for 2014 – 2015 (Appendix 1).

The Internal Audit Plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

The plan takes cognisance of the Council's Corporate Risk Register and will remain fluid to the changing needs of the Council.

RECOMMENDATIONS:

- 1 That the Audit Committee comment on and approve the revised Internal Audit Plan for 2014 -2015.

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INTERNAL AUDIT PLAN 2014 - 2015

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DETAIL:

1 Introduction

1.1 The purpose of this paper is to provide the Audit Committee with the Internal Audit Plan 2014 – 2015 (Appendix 1).

2 Summary

2.1 The aim of internal audit's work programme is to provide independent and objective assurance to management, in relation to the business activities, systems or processes under review that:

- The framework of internal control, risk management and governance is appropriate and operating effectively; and
- Risks to the achievement of the Council's objectives are identified, assessed and managed to a defined acceptable level.

2.2 The Internal Audit Plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

2.3 Internal audit focus should be proportionate and appropriately aligned; as such resources primarily concentrate on high and medium priority reviews.

2.4 The audit universe (attached as Appendix 2 for reference) reflects the main activities of the Council and therefore includes the high, medium and low risk areas considered during the planning process. All low priority review areas remain within the audit universe and are reassessed on an annual basis, however, will not be routinely incorporated in the audit plan if continued to be assessed as a low priority.

2.5 The audit plan will remain fluid and subject to on-going review and amendment where necessary, in consultation the relevant officers, to ensure the plan continues to reflect the needs of the Council.

2.6 Other reviews, based on criteria other than risk, may also be built into the work plan. These may include 'mandatory' audits or reviews requested or commissioned by management. Any commissioned review must be able to

clearly demonstrate a contribution to the audit opinion on risk management, control and governance.

- 2.7 The internal audit team have adopted a matrix style approach to enable the delivery of the plan, by using a resource pool of multi disciplinary auditors capable of forming into teams as audit projects determine.
- 2.8 This approach will ensure seasonal peaks in demand can be effectively managed, an appropriate level of independence in the rotation of audit reviews and the avoidance of over reliance on individual areas of expertise.
- 2.9 The Southern Internal Audit Partnership provides the Council with a resilient and flexible service, access to specialist audit skills (fraud, procurement, contract management and computer auditors) and opportunity to share from best practice across a wide range of partners.
- 2.10 The Council's 'Internal Audit Charter' ensures the Chief Internal Auditor has sufficient resource necessary to fulfil the requirements and expectations to deliver an internal audit opinion.
- 2.11 Significant matters that jeopardise the delivery of the plan, or require changes to the plan will be identified, addressed and reported to the Audit Committee.
- 2.12 The endorsement and sponsorship of the plan at member / senior management level will assist in providing the engagement and buy-in of staff at an operational level to ensure the outcome of audit reviews are optimised.

OTHER CONSIDERATIONS:

3 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

- 3.1 The Internal Audit work supports the Council's strategies and change plans.

4 RESOURCE IMPLICATIONS:

- 4.1 None directly from this report.

5 RISK MANAGEMENT ISSUES

- 5.1 The audit needs assessment follows a risk based audit approach taking cognisance of the Council's risk register.

BACKGROUND DOCUMENTS:

None

APPENDICES:

Appendix 1 – Internal Audit Plan 2014 – 2015.

Appendix 2 – Internal Audit Universe

Winchester City Council Internal Audit Plan 2014 – 2015

APPENDIX 1

Audit	Audit Sponsor	Risk Rating	2014/15
Corporate cross cutting			
Information management	CX	Medium	✓
Asset management	COO	High	✓
National Fraud Initiative (NFI)	CFO	High	✓
Procurement	CD	Medium	✓
Project management	CD	High	✓
Recruitment	CX	Medium	✓
Absence management	CX	Medium	✓
Partnerships	CX	Medium	✓
Grant Award	CD	Medium	✓
Corporate governance			
Proactive fraud initiatives, and anti fraud & corruption	CFO	High	✓
Special investigation(s)	CFO	High	✓
Corporate governance - Self Assessments	COO	Medium	✓
Annual review of effectiveness of Internal Audit	CFO	N/A	✓
Mayor's Charity Account	CFO	Medium	✓
Financial management			
Accounts receivable	CFO	High	✓
Budgetary control	CFO	High	✓
Treasury management	CFO	High	✓
National Non-Domestic rates (NNDR)	CFO	High	✓
Rent and service charges	CD	Medium	✓
Procurement cards	CFO	Medium	✓
Income collection	CFO	Medium	✓
Information Technology			
Network management	CFO	Medium	✓
ICT shared service, IT Strategy and assurance mapping	CFO	High	✓
Orchard application	CD	Medium	✓
Corporate priorities			
Business Support team	CX	High	✓
New homes delivery	CD	High	✓
Housing - reactive repairs	CD	High	✓
Housing - voids	CD	High	✓

Audit	Audit Sponsor	Risk Rating	2014/15
Community Infrastructure Levy (CIL)	CD	Medium	✓
Licensing	CD	Medium	✓
Street care and drainage	CD	Medium	✓
Other direct audit activity			
Advice and liaison			✓
Annual internal audit report			✓
Audit Committee			✓
Audit strategy and planning			✓
Corporate Governance Group			✓
External Audit			✓
Follow ups			✓
Monitoring and progress reports			✓
Total plan days			453

Key to Audit Sponsors	
Corporate Director	CD
Chief Executive	CX
Chief Operating Officer	COO
Chief Finance Officer	CFO

Winchester City Council Audit Universe

APPENDIX 2

Corporate cross cutting	
	Commissioning
	Information management
	Asset management
	National Fraud Initiative (NFI)
	Performance management
	Role in major projects
	Risk management
	Procurement
	Project management
	Flexible working
	Absence management
	Recruitment
	Training and management development
	Climate change/ energy management
	Communications
	Partnerships
	Grants
	Fleet management
	Disabled Facilities Grants
	Contract management
Corporate governance	
	Proactive fraud initiatives
	Anti Fraud & Corruption
	Health and safety at work
	Special Investigations
	Code of Conduct
	Data Protection & Freedom Of Information (FOI)
	Corporate Governance - Self Assessments
	Annual review of effectiveness of Internal Audit
	Business continuity planning
	Efficiency agenda
Financial management	
	Housing rents and debt management
	Benefits

	Car parks
	Cash office
	Council tax
	Accounts payable
	Accounts receivable
	Budgetary control
	Main accounting (including bank reconciliations and bank account control)
	Treasury management
	NNDR
	Payroll
	Rent and service charges
	Procurement cards
	Income collection
Information Technology	
	Software licencing / management of assets
	Telecommunications
	Network management
	Applications management
	Data security and management
	ICT shared service
	Orchard application
	Any specific material application
	IT Strategy and assurance mapping
Corporate priorities	
	Guildhall
	Building control
	Environmental Services Contract (joint with EHDC)
	Business Support Team
	Community Infrastructure Levy
	Estates - rental income and leases
	River Park Leisure Centre
	New homes delivery
	Housing planned maintenance
	Housing - reactive repairs
	Housing - voids
	Housing allocation and tenancy management
	Housing options
	Environmental protection

	Markets
	Planning
	Transport
	Access and infrastructure
	Democratic
	Museums
	Tourism
	Licensing
	Street care and drainage
	Landscape
	Land charges