

AUDIT COMMITTEE

12 March 2015

INTERNAL AUDIT PLAN 2015 - 2016

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)

AUD082 - Internal Audit Plan 2014 - 2015 (11 March 2014)

EXECUTIVE SUMMARY:

The purpose of this paper is to provide the Audit Committee with the Internal Audit Plan for 2015 – 2016 (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 Internal Audit Plan for 2015 - 2016.

AUDIT COMMITTEE

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INTERNAL AUDIT PLAN 2015 - 2016

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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 2015 – 2016 (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 Internal audit plays a vital role in helping the organisation accomplish its objectives, strategies and change plans by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

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 2015 – 2016.

Appendix 2 – Internal Audit Universe

Winchester City Council Internal Audit Plan 2015 – 2016

Audit	Audit Sponsor	Risk Rating	2015/16
Corporate cross cutting			
Contract management	All	High	✓
Corporate planning and performance management	All	High	✓
Flexible working	CX	High	✓
NFI	CFO	N/a	✓
Procurement	CD	High	✓
Risk management	CX	High	✓
Training and management development	CX	Medium	✓
Corporate governance			
Annual Governance Statement	COO	Not rated	✓
Annual review of effectiveness of Internal Audit	CFO	Not rated	✓
Business continuity planning	All	Medium	✓
Local Government Transparency Code 2014	COO	High	✓
Mayor's Charity Account	CFO	Medium	✓
Proactive fraud initiatives, and anti fraud & corruption	CFO	N/a	✓
Special investigation(s)	CFO	N/a	✓
Financial management			
Accounts payable	CFO	High	✓
Additional payments	CFO	Medium	✓
Benefits	CFO	High	✓
Capital programme	CFO	High	✓
Car parks	CD	Medium	✓
Finance systems development	CFO	Medium	✓
Housing capital receipt return	CFO	Medium	✓
Housing rents and debt management	CD	High	✓
Main accounting	CFO	High	✓
Rent and service charges	CD	High	✓
Taxation	CFO	Medium	✓
Information Technology			
ICT shared service, IT Strategy and assurance mapping	CFO	High	✓
Telecommunications	CFO	Medium	✓
Corporate priorities			
Business Support Team	CX	High	✓

Audit	Audit Sponsor	Risk Rating	2015/16
Environmental Services Contract (joint with EHDC)	CD	Very High	✓
Fieldfare Leader Funding 2015-21	CD	Medium	✓
Guildhall	COO	High	✓
Landscape	CD	Medium	✓
Station Approach	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

Corporate cross cutting	
	Absence management
	Asset management
	Climate change/ energy management
	Commissioning
	Communications
	Contract management
	Disabled Facilities Grants
	Fleet management
	Flexible working
	Grants
	Information management
	Members allowances
	National Fraud Initiative (NFI)
	Partnerships
	Procurement
	Programme management
	Project management
	Recruitment
	Risk management
	Role in major projects
	Strategic planning and performance management
	Training and management development
Corporate governance	
	Anti Fraud & Corruption
	Annual Governance Statement
	Annual review of effectiveness of Internal Audit
	Business continuity planning
	Code of Conduct
	Complaints/ compliments
	Data Protection & Freedom of Information (FOI)
	Decision making/ accountability
	Efficiency agenda
	Health and safety at work
	Local Government Transparency Code 2014
	Proactive fraud initiatives

Financial management	
	Accounts payable
	Accounts receivable
	Additional payments
	Benefits
	Budgetary control
	Capital programme
	Car parks
	Cash office
	Council tax
	Finance system development (project)
	Housing capital receipts return
	Housing rents and debt management
	Income collection
	Main accounting
	NNDR
	Payroll
	Procurement cards
	Rent and service charges
	Taxation
	Treasury management
Information Technology	
	Any specific material application
	Applications management
	Data security and management
	ICT shared service, and IT Strategy
	Network management
	Orchard application
	Software licencing / management of assets
	Telecommunications
Corporate priorities	
	Access and infrastructure
	Building control
	Business Support Team
	City Offices
	Community Infrastructure Levy
	Democratic Services

	Environmental protection
	Environmental Services Contract (joint with EHDC)
	Equal opportunities
	Estates - rental income and leases
	Fieldfare Leader Funding (2015-2021)
	Guildhall
	Housing allocation and tenancy management
	Housing options
	Housing planned maintenance
	Housing - reactive repairs
	Housing - voids
	Insurance
	Landscape
	Land charges
	Licensing
	Markets
	Museums
	New homes delivery
	Planning
	River Park Leisure Centre
	Safeguarding
	Silverhill
	Station Approach
	Street care and drainage
	Tourism
	Transport