

DRAFT STRATEGIC AUDIT PLAN FOR 2014/15

Cabinet Member Councillor Neal Davey
Responsible Officer Audit Team Leader

Reason for Report: To present the Draft Strategic Audit Plan for 2014/15 to 2017/18 and the draft detailed work plan for 2015/16.

RECOMMENDATION: The Committee considers the draft audit plans and feeds back any amendments for inclusion in the Final work plans due to be presented to this Committee on 11 March 2014.

Relationship to Corporate Plan: Effective Internal Audit is a fundamental element of being an economic, efficient and effective council and can assist with reducing costs and doing things differently and better.

Financial Implications: Inadequate Internal Audit coverage would mean that the Internal Audit Team Leader cannot form an opinion as to the effectiveness of MDDC's internal control environment.

Legal Implications: Failure to produce a risk based audit plan would cause the Council to be in breach of the Public Sector Internal Audit Standards.

Risk Assessment: Without a strategic audit plan to adhere to, the Council is at risk of providing inadequate audit coverage on high-risk areas and no assurance on the control environment.

1.0 Introduction

1.1 The Public Sector Internal Audit Standards require that the Audit Team Leader prepare a risk based strategic audit plan, which should take account of the adequacy and outcomes of the organisation's risk management, performance management and other assurance processes.

1.2 In preparing these plans the Audit Team Leader has taken all the usual factors detailed below into account and ensured that all 8 audits postponed from 2013/14 are included in 2014/15's plan.

2.0 Risk Assessment Process

2.1 The number of available audit days has been allocated using a system of risk analysis. Factors taken into account include materiality, changes to staff, legislation etc. The plan has also been updated to reflect changing priorities and the results of discussions with Heads of Service and Service Managers.

2.2 Some areas viewed as high risk e.g. because of potential financial impact or damage to reputation are audited more frequently than the target 4-yearly minimum these have all been included as scheduled annually/biennially as relevant.

3.0 Core Audits

- 3.1 These are all scheduled for completion in 2014/15.
- 3.2 Trade Waste and Car Park Income are now scheduled for alternate years. The only other thing to note about the Core Audits this year is that they are scheduled for October to March rather than September to January to coincide with staff being back at full strength, after one of the Auditor's maternity leave is complete.

4.0 Systems Audits

- 4.1 All the system audits carried over from the 2013/14 financial year have been incorporated into the plan for the 2014/15 financial year except Forward Planning which Management Team requested should be delayed because of the Local Plan work. The remaining time has been allocated to the planned audits based on their perceived risk to MDDC and/or how long it is since the area was last looked at.
- 4.2 I am confident that this level of coverage combined with the prioritisation of higher risk audits will be sufficient for me to form an overall annual opinion on the internal control environment.

5.0 Other Work

- 5.1 The administration of SPAR and the Data Quality assurance checks completed on Committee reports will continue as usual.
- 5.2 However as stated previously there will be less time available for consultancy and contingency which will reduce the flexibility of the service.
- 5.3 If there is the need for additional work to be done in exceptional circumstances additional resource will be required. I will be able to call on the Head of Communities and Governance in the first instance and the communities and Governance Business Support Officer who both have relevant experience.

6.0 Conclusion

- 6.1 This report outlines the proposed detailed Internal Audit Work Plan for 2014/15 which is attached at Appendix A and The Strategic four year Audit Plan attached at Appendix B.
- 6.2 The Internal Audit Leader would like feedback about any areas of concern to reflect in the Final audit Plan to be presented for approval at the March meeting.

Contact for more Information: Catherine Yandle, Audit Team Leader
Circulation of the Report: Cllr Neal Davey and Management Team

INTERNAL AUDIT WORK PLAN FOR 2014/15 FINANCIAL YEAR

Audit/Task	Number of Days	Quarter 1 Apr to Jun	Quarter 2 Jul to Sept	Quarter 3 Oct to Dec	Quarter 4 Jan to Mar
Core Audits	170				
Council Tax/NNDR	25			X	X
Income and Cash Collection	15			X	X
Main Accounting System incl deeds testing	25			X	X
Housing Benefits	20			X	X
Creditors	15			X	X
Housing Rents	15			X	X
Treasury & Cashflow Management	5			X	X
Payroll	15			X	X
Recovery	15			X	X
Car Parking Income/Trade Waste	15			X	X
ICT Core	5			X	X
Systems Audits	160				
Leisure (Lords Meadow)	15		X		
Insurance/VAT	10		X		
Procurement/Contracts	20		X		
Data Protection	10		X		
H & S Management Arrangements incl Estate Inspections	10		X		
Telephones - Fixed and Mobile	5		X		
Emergency Planning	10	X			
Leasing (Vehicles/Equipment/IT)	10	X			
Gazateer Management - Street Naming & Numbering	5	X			
Asset & Property Management	10	X			
Vehicles & Fuel (including inventory & maintenance)	10	X			
Customer First Project	10	X			
Listed Buildings & Conservation Areas	10	X			
Cemeteries & Bereavement Services	5				X
Gifts & Hospitality/Register of Interests (annual)	5				X
Grants, Subscriptions & donations	5				X
Appraisals & Training	10				X
Corporate Work	50				
Spar	30	X	X	X	X
DAP peer review	5	X			
Data Quality Assurance Checks	15	X	X	X	X
Other Work	22				
Fraud/Irregularity/Consultancy/Contingency		X	X	X	X
Total Scheduled Audit Days	330	65	70	95	100
Other	72	21	17	17	17
Total	402	86	87	112	117
Completed					
Scheduled/started					

4 Year Strategic Audit Plan for 2014/15 to 2017/18

Appendix B

Audit Code	Audit Area	Year Last Audited	Days 2014/15	Days 2015/16	Days 2016/17	Days 2017/18	TOTAL
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CORE FINANCIAL AUDITS (Statutory Requirement -Annual)

CORE 1	Council Tax and NNDR	2013/14	25	25	25	25	100
CORE 2	Income and Cash Collection	2013/14	15	15	15	15	60
CORE 3	Main Accounting System (including Deeds Testing)	2013/14	25	25	25	25	100
CORE 4	Housing Benefits	2013/14	20	20	20	20	80
CORE 5	Creditors	2013/14	15	15	15	15	60
CORE 6	Housing Rents (including rent arrears)	2013/14	15	15	15	15	60
CORE 7	Treasury and Cashflow Management	2013/14	5	5	5	5	20
CORE 8	Payroll	2013/14	15	15	15	15	60
CORE 9	Recovery	2013/14	15	15	15	15	60
CORE 10	Car Parking Income	2012/13	15		15		30
CORE 11	Trade Waste	2013/14		15		15	30
CORE 12	ICT Core Audit	2013/14	5	5	5	5	20
TOTAL CORE FINANCIAL AUDITS			170	170	170	170	630

SYSTEMS AUDITS (Risk Based- mainly 4-yearly)

Human Resources (Jill Stimpson)

HUR1	Time Recording System	2013/14				10	10
HUR2	Sickness and Other Time Off	2012/13			10		10
HUR3	Recruitment and Selection	2009/10		5			5
HUR4	Appraisals and Training		10				10
HUR5	Travel and Subsistence (incl Pool cars)	2013/14				10	10
HUR6	Standby	2012/13			5		5
Human Resources Total			10	5	15	20	50

Financial Services & Procurement (Andrew Jarrett)

FIN1	VAT(2-yearly)	2013/14		10		10	20
FIN2	Insurances		10		10		20
FIN3	Capital and Asset Management (incl land sales)	2013/14				10	10
FIN4	Bank Reconciliation & e-payments (Bank rec tested as part of Main Accounting each year)	2010/11		10			10
FIN5	Leasing (Vehicles/Equipment/IT)	2013/14	10				10
FIN6	Procurement (2-yearly)	2013/14		20		20	40
FIN7	Contract Register & Contracts (2-yearly)	2012/13	20		20		40
Financial Services & Procurement Total			40	40	30	40	150

ICT (Christina Cross)

ICT1	Telephones - Fixed and Mobile	2007/08	5				5
ICT2	Computer Network	2011/12		10			10
ICT3	Computer Email/Internet	2009/10		10			10
ICT4	Computer Inventory - hardware and software	2012/13			10		10
ICT5	Data Protection(2-yearly)	2010/11	10		10		20
ICT6	Freedom of Information	2013/14				10	10
ICT7	Gazateer Management - Street Naming & Numbering		5				5
ICT8	Local Land Charges	2010/11		5			5
ICT Total			20	25	20	10	75

Planning (Jonathan Guscott)

PLA1	Building Control (incl income and all other areas)	2012/13			15		15
PLA2	Development Control including enforcement	2013/14				15	15
PLA3	Listed Buildings and Conservation Areas		10				10
PLA4	Forward Planning			10			10
Planning Total			10	10	15	15	50

Environmental Health Services (Paul Williams)

EHS1	Environmental Health Commercial	2008/09			15		15
EHS2	Environmental Health Enforcement	2008/09		15			15
EHS3	Corporate Health & Safety incl Homeworking/Loneworking (2yrs)	2013/14		10		10	20
EHS4	Emergency Planning (also Business Continuity Planning) (2yrs)	2009/10	10		10		20
EHS5	Vehicles & Fuel (including inventory & maintenance)	2007/08	10				10
EHS6	Cemeteries & Bereavement Services		5				5
EHS7	District Officers	2011/12		10			10
EHS8	Grounds Maintenance (Parks & Open Spaces)	2013/14				10	10
EHS9	Private Sector Renewal Grants	2013/14			10		10
Environmental Health Services Total			25	35	35	20	115

4 Year Strategic Audit Plan for 2014/15 to 2017/18

Appendix B

Audit Code	Audit Area	Year Last Audited	Days 2014/15	Days 2015/16	Days 2016/17	Days 2017/18	TOTAL
Licensing (Marjory Parish)							
LIC1	Licensing Services	2012/13			10		10
Licensing Total			0	0	10	0	10
Leisure (Sam Bennion)							
LEI1	Exe Valley Leisure Centre (incl income and all other areas)	2012/13			15		15
LEI2	Culm Valley Sports Centre (incl income and all other areas)	2012/13		15			15
LEI3	Lords Meadow Leisure Centre (incl income and all other areas)	2012/13	15			15	30
Leisure Total			15	15	15	15	60
Legal & Democratic Services (Jackie Stoneman/Simon Johnson/Simon Coombs)							
L&D1	Electoral Registration & Elections	2013/14				10	10
L&D2	Members Allowances	2011/12		10			10
L&D3	Gifts & Hospitality/Register of Interests (annual)	2013/14	5	5	5	5	20
Legal & Democratic Total			5	15	5	15	40
Waste Management (Paul Williams)							
WAM1	Refuse & Recycling	2011/12		20			20
WAM2	Street Cleansing & Public Cleaning				10		10
Waste Management Total			0	20	10	0	30
Customer Services (Liz Reeves)							
CSE1	Customer Care/Complaints	2012/13			10		10
CSE2	Customer First Project		10				10
Customer Services Total			10	0	10	0	20
Housing & Property Services (Nick Sanderson)							
HPS1	Care Services (Wardens)	2010/11			10		10
HPS2	Repairs and Maintenance	2013/14				15	15
HPS3	Stores	2010/11		10			10
HPS4	Health & Safety Management Arrangements incl Estate Inspections (2-yearly)	2009/10	10		10		20
HPS5	Void Management Arrangements	2009/10		10			10
HPS6	Lettings	2011/12			10		10
HPS8	Housing Homeless Persons	2013/14				10	10
HPS9	Asset & Property Management (including building maintenance & Sale of Council Houses)		10				10
Housing & Property Services Total			20	20	30	25	95
Economic & Community Development (Amy Tregellas)							
CDE1	Grants, subscriptions & donations		5				5
CDE2	Community Engagement & Consultation				10		10
CDE3	Economic Regeneration & Industrial Rents	2013/14				10	10
CDE4	Markets	2009/10		10			10
Economic & Community Development Total			5	10	10	10	35
SYSTEMS AUDITS TOTAL			160	195	205	170	730
ASSURANCE WORK							
	Data Quality Assurance Checks		15	15	15	15	60
	DAP peer review		5	5	5	5	20
	Spar/risk		30	30	30	30	120
Assurance Work Total			50	50	50	50	200
OTHER WORK							
	Fraud/Irregularity/Consultancy/Contingency		22	105	103	132	362
Other Work Total			22	105	103	132	362

SUMMARY							
Available Audit Days		402.00	520.00	528.00	522.00	922	
Core Systems		170	170	170	170	340	37%
Systems Audits		160	195	205	170	355	39%
Assurance Work		50	50	50	50	100	11%
Other Work		22	105	103	132	127	14%
TOTAL		402	520	528	522	922	100%