

Ward: All

## Internal Audit 2015/16 Annual Audit Plan & 2015/18 3 Year Strategic Audit Plan

### Report by the Acting Head of Internal Audit

#### 1.0 Summary

1.1 This report presents the Internal Audit 2015/16 Annual Audit Plan and the 2015/18 3 Year Strategic Audit Plan for consideration and approval.

#### 2.0 Background

2.1 The Annual Audit Plan and 3 Year Strategic Audit Plan have since 1998, been presented annually to Members for approval.

2.2 In drafting the 2015/16 Annual Audit Plan and the 2015/18 3 Year Strategic Audit Plan, the Acting Head of Internal Audit has taken the 2013/16 3 Year Strategic Audit Plan (which was the result of a complete re-assessment of the Councils' audit universe) approved by this Committee on 21 March 2013 and considered the following:

- The risks contained within the Councils' Covalent Risk Register;
- Other information gathered during the year on changes/additions to Council services;
- Current issues impacting on Local Government;
- The requirements of the Chartered Institute of Internal Auditors (CIIA) International Standards which became effective from 1 April 2013.

2.3 The proposed 2015/16 Annual Audit Plan and the 2015/18 3 Year Strategic Audit Plan, were then presented to the Councils' Leadership Team on 4 March. The comments received at that meeting and those received since from the Directors and Heads of Service have been considered and appropriate action taken in respect of the proposed plans.

2.4 The proposed 2015/16 Annual Audit Plan (which includes the proposed quarterly split) is attached as **Appendix A**. The proposed 2015/18 3 Year Strategic Audit Plan is attached as **Appendix B**.

### 3.0 Proposals

3.1 The proposed 2015/16 Annual Internal Audit Plan is presented for approval by this committee. The plan consists of 770 days of work allocated as summarised below:

Category of Work	Type of Work	Number of Days
High Risk Systems	System audits & Annual testing	215
Medium Risk Systems	System audits & Annual testing	115
Low Risk Systems	System audits	65
ICT Audits	Specialist ICT related audits and Application Reviews	85
Contract Audits	Specialist reviews & Contract examination	60
Internal Control issue for the Annual Governance Statement	Identification of control issues for consideration in completion of AGS	15
Probity	Probity testing	25
NFI	Co-Ordination & investigation of matches	35
Follow Up	Follow up to confirm implementation of agreed audit recommendations	30
Other	Planning, Management, Grant Claim checking	125
<b>Total Days in Plan</b>		<b>770</b>

3.2 An ongoing system of monitoring the progress of audit work against the plan is in place. Monthly progress is reported to the Executive Head of Financial Services and quarterly reports on progress are presented to this Committee. In accordance with the Terms of Reference, other reports may be presented to the Committee as necessary during the year.

3.3 The Committee is also asked to consider whether there are any specific areas of interest which they would like to see covered in the 2015/16 Annual Audit Plan.

### 4.0 Legal

4.1 There are no legal matters arising as a result of this report.

## **5.0 Financial implications**

- 5.1 The Audit plans consists mainly of audits performed on joint services and the time required for these joint audits is split on a 50:50 basis between Adur and Worthing Councils. This split results in reduced time required to audit the councils' joint processes and equates to a cost saving for each council in the auditing of these areas.

## **6.0 Recommendations**

- 6.1 That the Committee consider whether there are any specific audits which they would like to see progressed in 2014/15 which are not currently contained within the proposed 2015/16 Internal Audit Plan.
- 6.2 That the 2015/16 Annual Audit Plan and the 2015/18 3 Year Strategic Audit Plan be approved

## **Local Government Act 1972 Background Papers:**

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## **Schedule of Other Matters**

### **1.0 Council Priority**

1.1 The report does not seek to meet any particular Council priorities.

### **2.0 Specific Action Plans**

2.1 (A) Matter considered and no issues identified.  
(B) Matter considered and no issues identified.

### **3.0 Sustainability Issues**

3.1 Matter considered and no issues identified.

### **4.0 Equality Issues**

4.1 Matter considered and no issues identified.

### **5.0 Community Safety Issues (Section 17)**

5.1 Matter considered and no issues identified.

### **6.0 Human Rights Issues**

6.1 Matter considered and no issues identified.

### **7.0 Reputation**

7.1 Matter considered and no issues identified.

### **8.0 Consultations**

8.1 (A) Matter considered and no issues identified.  
(B) Matter considered and no issues identified.

### **9.0 Risk Assessment**

9.1 Matter considered and no issues identified.

### **10.0 Health & Safety Issues**

10.1 Matter considered and no issues identified.

### **11.0 Procurement Strategy**

11.1 Matter considered and no issues identified.

### **12.0 Partnership Working**

12.1 Matter considered and no issues identified.

AUDIT TITLE	Audit Significance	Joint Audit	TOTAL DAYS	QUARTERLY SPLIT			
				Q1	Q2	Q3	Q4
<b>Chief Executive</b>							
<b>Corporate</b>							
Delivery of Corporate Vision & Priorities	H	*	10		10		
Annual Governance Statements	H	*	15	15			
Corporate Governance	H	*	10			10	
Risk Management	H	*	10				10
Project Management	H	*	10			10	
New Ways of Working implementation	H	*	10	10			
<b>Communications</b>							
Communications	M	*	8		8		
<b>Organisational Development</b>							
Learning & Development	L	*	5				5
<b>Director for Economy</b>							
<b>Culture</b>							
Theatres	M	WBC	10	10			
<b>Place &amp; Investment</b>							
Economic Development	M	*	8				8
<b>Growth</b>							
On Street parking enforcement	L	*	5	5			
Planning Services	M	*	8				8
Local Development Framework	M	*	8			8	
Community Infrastructure Levy	H	*	10		10		
Highways Liaison	L	*	5		5		
Empty Property Management	L	*	5		5		
<b>Director for Communities</b>							
WBC Leisure Trust - Contract Management	H	WBC	10			10	
<b>Housing</b>							
Housing Administration & Support	L	*	5	5			
Housing Rents	M	ADC	7			7	
Estates & Garage Management, Improvement & Maintenance	L	ADC	5	5			
Adur Watch	L	ADC	5		5		
Corporate DSO - Building Maintenance	H	*	10	10			
<b>Wellbeing</b>							
Public Health	M	*	8				10
Health & Wellbeing Partnership	M	*	10	10			
Grants to Voluntary Orgs	L	*	5		5		
<b>Environment</b>							
Dog Control	L	*	5	5			
<b>Director for Customer Services</b>							
<b>Revenues &amp; Benefits</b>							
WBC Benefits	H	WBC	10			10	
WBC Revenues (Council Tax & NDR)	H	WBC	15			15	
CenSus - Council Tax	H	ADC	30				30
<b>Waste &amp; Cleansing</b>							
AWCS	H	*	10	10			
Cleaner Neighbourhood (FPNs)	L	*	5	5			
<b>Customer Contact &amp; Engagement</b>							
Customer Services	M	*	8			8	
Election Expenses	M	*	8		8		
<b>Building Control &amp; Land Charges</b>							
Building Control	L	*	5	5			
Street Scene Enforcement	L	*	5		5		
<b>Director of Digital &amp; Resources</b>							
<b>Finance</b>							
General Ledger	H	*	10			10	
Cashiering	H	*	10				10
Creditors	H	*	10			10	
Debtors	H	*	10			10	
Payroll	H	*	10				10
Capital Expenditure & Fixed Assets	M	*	8				8
Corporate Fraud Management	H	*	10		8		
Treasury Management	H	*	8				8
Probity audits - areas to be agreed	L	*	25	6	6.5	6	6.5
<b>Legal</b>							
Freedom of Information	M	*	8	8			
<b>Design &amp; Digital</b>							
Performance Management	M	*	8		8		
Delivery of Digital Strategy	H	*	10			10	
<b>Business &amp; Technical Services</b>							
Energy Management & Sustainability	L	*	5	5			
Procurement Strategy, Governance & Communications	H	*	10		10		
<b>Computer Audits</b>							
IT Resilience	H	*	15				15
Telephony	H	*	15			15	
Public Services Network	H	*	15		15		
Cloud Computing	H	*	15			15	
Financial Management system - input on controls for replacement system	H	*	10	5	5		
Other audits to be determined	H	*	15				15
<b>Contract Audit</b>							
Programme Management	H	*	10	10			
Final Accounts	H	*	10		10		
Procurement Audit (takes one procurement & examines in detail)	H	*	10		10		
Vertical contract audit	H	*	10				10
Contract Management	H	*	10			10	
<b>Other Areas</b>							
Management & Admin			55	13.75	13.75	13.75	13.75
Specialised/Ad-Hoc/Contingency			50	12.5	12.5	12.5	12.5
NFI Co-Ordination			10	2.5	2.5	2.5	2.5
NFI Results testing			25	2.5			
Grant Claim checking			20	5	5	5	5
Follow Ups			30	7.5	7.5	7.5	7.5
<b>Total No. of Days</b>			<b>770</b>	<b>195.25</b>	<b>174.75</b>	<b>205.25</b>	<b>194.75</b>

Low risk audits on 4 year cycle

25.36% 22.69% 26.66% 25.29%

DRAFT 2015-18 3 YEAR STRATEGIC AUDIT PLAN							
AUDIT TITLE	Audit Significance	Joint Audit	15/16	Joint Audit	16/17	Joint Audit	17/18
<b>Chief Executive</b>							
Delivery of Corporate Vision & Priorities	H	*	10				
Annual Governance Statements	H	*	15	*	15	*	15
Corporate Governance	H	*	10	*	10	*	10
Risk Management	H	*	10	*	10	*	10
Project Management	H	*	10				
New Ways of Working implementation	H	*	10				
<b>Communications</b>							
Communications	M	*	8				
Social Media	L					*	5
<b>Organisational Development</b>							
Learning & Development	L	*	5				
Change Management	H					*	10
<b>Director for Economy</b>							
<b>Culture</b>							
Museums	L			WBC	10		
Visitor Economy, Events & Cultural Partnership	M			*	8		
Venues	M	WBC	10				
<b>Place &amp; Investment</b>							
Place & Investment (including Economic Investment & Development)	M	*	8				
External Funding (include EU)	M					*	8
Local Strategic Partnership (include LEP/Growth Funds)	M					*	8
<b>Growth</b>							
Estates	M					*	8
On Street parking enforcement	L	*	5				
Car Parks	H					*	10
Car Parking Bailiffs	H			*	10		
Coastal Protection	L			*	5		
Land Drainage	L						
Planning (Policy & Services)	M	*	8				
Local Development Framework	M	*	8				
Community Infrastructure Levy	H	*	10			*	10
Highways Liaison	L	*	5				
Empty Property Management	L	*	5				
<b>Director for Communities</b>							
ADC Leisure Trust - Contract Management	H			ADC	10		
WBC Leisure Trust - Contract Management	H	WBC	10				
<b>Housing</b>							
Homelessness, Prevention, Advice & Allocations	H					*	10
Sheltered Accommodation	L			ADC	5		
Housing Administration & Support	L	*	5				
Housing Rents	M	ADC	7	ADC	7	ADC	7
Right to Buy	L			ADC	5		
Private Sector Leasing/Temporary Accommodation Management	M			ADC	8		
Housing Maintenance	M					ADC	8
Property Buy Back	L			*	5		
Leasehold Management	L			ADC	5		
Community Alarm	L			ADC	5		
Major Refurbishment Project Management	M					ADC	10
Estates & Garage Management, Improvement & Maintenance	L	ADC	5			ADC	5
Tenant Participation	L					ADC	8
Void Management	M					ADC	5
Housing Grants	L					*	5
Choice Based Lettings	M			*	8		
Adur Watch	L	ADC	5				
Environmental Protection & Noise	L					*	5
Care & Repair	L					*	5
Supporting People	L					ADC	5
Corporate DSO - Building Maintenance	H	*	10				
Carbonmonoxide, Legionella & Asbestos management	H			*	10		
Fire Risk Management	H			*	10		
<b>Wellbeing</b>							
Community Wellbeing	M			*	10		
Public Health	M	*	8			*	8
Family Intervention Project	L			*	5		
Anti Social Behaviour Management	L					*	5
Safer Communities Partnership	M			*	10		
Health & Wellbeing Partnership	M	*	10			*	10
Third Party Commissioning	H						
Grants to Voluntary Orgs	L	*	5				
ADC Pot of Gold	L			*	5		
Hackney Carriage & Private Hire	L					*	5
Licensing	L			*	5		
Democratic & Civic Services (inc Civic Regalia, Mayor's & Chairman's charities)	L			*	5		
<b>Environment</b>							
Foreshore Service	L					*	5
Parks Management & Income	M			*	10		
Grounds Maintenance	M			*	10		
Allotments	L			*	5		
Cemeteries & Churchyards	L					*	5
Worthing Crematorium	L			*	8		
Dog Control	L	*	5				
Pest Control	L					*	5
<b>Director for Customer Services</b>							
<b>Revenues &amp; Benefits</b>							
WBC Benefits	H	WBC	10		10	WBC	10
WBC Revenues (Council Tax & NDR)	H	WBC	15	WBC	15	WBC	15
Business Improvement Districts (BIDs)	L			*	5		
CenSus - NDR	H			ADC	30		
CenSus - Benefits	H					ADC	30
CenSus - Council Tax	H	ADC	30				
<b>Waste &amp; Cleansing</b>							
AWCS	H	*	10	*	8	*	
AWCS - Vehicle Maintenance	L					*	5

AUDIT TITLE	Audit Significance	Joint Audit	15/16	Joint Audit	16/17	Joint Audit	17/18
Cleaner Neighbourhood (FPNs)	L	*	5				
<b>Customer Contact &amp; Engagement</b>							
Complaints Management	M					*	8
Customer Services	M	*	8				
Register of Electors	M					*	8
Election Expenses	M	*	8				
<b>Building Control &amp; Land Charges</b>							
Building Control	L	*	5	*	5		
Local Land Charges	L						
Street Scene Enforcement	L	*	5				
<b>Director of Digital &amp; Resources</b>							
<b>Finance</b>							
Budgetary Control	H					*	10
General Ledger	H	*	10	*	10	*	10
Cashiering	H	*	10	*	10	*	10
Creditors	H	*	10	*	10	*	10
Debtors	H	*	10	*	10	*	10
Insurance	M					*	8
Payroll	H	*	10	*	10	*	10
Capital Expenditure & Fixed Assets	M	*	8	*	8	*	8
Corporate Fraud Management	H	*	10				
Treasury Management	H	*	8	*	8	*	8
Petty Cash	L						
Staff Loans	L						
Fees & Charges	M			*	8		
Staff expenses (inc car mileage)	M			*	8		
Business Rates - Forecasting & Income Projection	H					*	10
Pension Scheme - local administration	H					*	8
Members Allowances & Equipment	L			*	5		
Probity audits - areas to be agreed	L	*	25	*	25	*	15
<b>Legal</b>							
Legal Services	H			*	10		
Freedom of Information	M	*	8				
<b>Design &amp; Digital</b>							
Performance Management	M	*	8				
Technology & Business Solutions	M					*	8
Business Support	M			*	8		
Systems Support & Development Team	M					*	8
Delivery of Digital Strategy	H	*	10				
<b>Human Resources</b>							
Human Resources	M			*	10		
Equalities & Diversity	L			*	5		
Manpower Planning	M					*	8
Agency Staff Arrangements	H					*	10
DBS checks & requirements	H			*	10		
Sickness Recording & Monitoring	M					*	8
Occupational Health	L			*	5		
<b>Business &amp; Technical Services</b>							
Energy Management & Sustainability	L	*	5				
Procurement Strategy, Governance & Communications	H	*	10				
Emergency Planning/Business Continuity (including Flood Management)	H					*	10
Health & Safety	H					*	10
Desktop Printing & Reprographics	L						
Facilities Management & Security	M					*	8
Building Maintenance	M			*	10		
Corporate GIS	L			*	5		
<b>Computer Audits</b>							
Disaster Recovery	H					*	15
HMS Application	H					ADC	10
Data Protection & Information Governance	H					*	15
Data Centre	H			*	7		
Joint website - content & workflow	H			*	12		
Content Management	H			*	12		
Network (LAN & WAN)	H			*	25		
House on the Hill	H			*	15		
IT Resilience	H	*	15				
Telephony	H	*	15				
Public Services Network	H	*	15				
Cloud Computing	H	*	15				
Financial Management system - input on controls for replacement system	H	*	10				
Other audits to be determined	H	*	15	*	14	*	30
<b>Contract Audit</b>							
Procurement Compliance (corporate taken from ledger information)	H			*	20		
Programme Management	H	*	10				
Final Accounts	H	*	10				
Procurement Audit (takes one procurement & examines in detail)	H	*	10				
Use of Consultants	H			*	10		
Vertical contract audit	H	*	10	*	10	*	10
Contract Management	H	*	10	*	10	*	10
Other contracts - to be determined	H					*	30
<b>Other Areas</b>							
Management & Admin			55		55		55
Specialised/Ad-Hoc/Contingency			50		50		50
NFI Co-Ordination			10		10		10
NFI Results testing			25		10		25
Grant Claim checking			20		20		20
Follow Ups			30		30		30
<b>Total No. of Days</b>			<b>770</b>		<b>777</b>		<b>778</b>

Low risk audits on 4 year cycle