

Ward: N/A

## Internal Audit 2016/17 Annual Audit Plan & 2016/19 3 Year Strategic Audit Plan

### Report by the Acting Head of Internal Audit

#### 1.0 Summary

1.1 This report presents the draft Internal Audit 2016/17 Annual Audit Plan and 2016/19 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 2016/17 Annual Audit Plan and the 2016/19 3 Year Strategic Audit Plan, the Acting Head of Internal Audit has completed a re-assessment of the Councils' audit universe in order to focus reduced audit resources on completing audits in high risk areas. The draft plans have therefore been formulated by:

- Mapping the current directorates and services against the risks contained within the Councils' corporate and service risk registers to identify potential audits;
- Mapping audits performed in recent years and current issues impacting on Local Government against the directorates and service areas to identify further potential audits (this has highlighted some areas where risks should be considered for inclusion in the risk registers);
- Considering the requirements of the Chartered Institute of Internal Auditors (CIIA) International Standards which became effective from 1 April 2013.

2.3 The Acting Head of Internal Audit and Head of Finance attended the Councils' Leadership Team meeting on 16 February to advise them on the way that the Audit Plans would be developed and to seek their comments. The plans were then drafted and provided to the Head of Finance for her consideration before being sent to the Directors and Heads of Service for comment. When writing this report we are still awaiting feedback from senior officers and any comments received will be addressed against the attached draft plans and advised to the committee on or before the meeting.

2.4 The proposed 2016/17 Annual Audit Plan (which includes the proposed quarterly split) is attached as **Appendix A**. The proposed 2016/19 3 Year Strategic Audit Plan is attached as **Appendix B**.

### 3.0 Proposals

3.1 The proposed 2016/17 Annual Internal Audit Plan is presented for approval by this committee. The plan consists of 43 audits and 559 days of work allocated as summarised below:

Category of Work	Type of Work	Number of Days
Audits of Very High & High Risk areas	System audits & annual testing of key financial and governance systems	259
Audits of Very High & High Risk areas	Cross service audits	30
ICT Audits	Specialist ICT related audits and Application Reviews	80
Contract Audits	Specialist reviews & Contract examination	30
NFI	Co-Ordination & investigation of matches	20
Follow Up	Follow up to confirm implementation of agreed audit recommendations	30
Other	Management, & Contingency	65
<b>Total Days in Plan</b>		<b>514</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 Head of Finance 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 2016/17 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 These plans have been based on reducing the Audit plan by 1/3 a year in accordance with the savings reported to Overview & Scrutiny Committee on 26 November 2015.

## **6.0 Recommendations**

- 6.1 That the Committee consider whether there are any specific audits which they would like to see progressed in 2016/17 which are not currently contained within the proposed plans.
- 6.2 That the 2016/17 Annual Audit Plan and the 2016/19 3 Year Strategic Audit Plan be approved

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

#### **Contact Officer:**

Pat Stothard  
Acting Head of Internal Audit  
Town Hall, Worthing  
Tel: 01903 221255  
pat.stothard@mazars.co.uk

## **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.

CHIEF EXECUTIVE	Q1	Q2	Q3	Q4
<b>COMMUNITIES</b>				
<b>Leisure</b> WBC Leisure Trust - Contract Management		8		
<b>Housing</b> Compliance with the Housing & Planning Bill 2015 Rent Collection and Collection of Arrears Right to Buy Sheltered Accommodation	8		10	10   8
<b>Wellbeing</b> Contract Management audit - Voluntary & Community contract		10		
<b>Environment</b>				
<b>CUSTOMER SERVICES</b>				
Disability Awareness	8			
<b>Revenues &amp; Benefits</b> WBC Revenues (Council Tax & NDR) WBC Benefits CenSus - NDR			15 10 30	
<b>Waste &amp; Cleansing</b> Fleet & Transport Management	8			
<b>Customer Contact &amp; Engagement</b> Contact Centre		10		
<b>Building Control &amp; Land Charges</b> Local Land Charges	10			
<b>ECONOMY</b>				
<b>Culture</b> <b>Place &amp; Investment</b> Fixed Assets				10
<b>Growth</b> Compliance with the Housing & Planning Bill 2015	10			
<b>DIGITAL &amp; RESOURCES</b>				
<b>Finance</b> Medium Term Financial Strategy General Ledger Capital Accounting Treasury Management Creditors Debtors Payroll Cashiering	8		10    10 10	8 8   10 10
<b>Legal Services</b> Corporate Governance		10		
<b>Digital &amp; Design</b> Risk Management				10
<b>People</b> <b>Business &amp; Technical Services</b> <b>Organisational Development</b>				
<b>COMPUTER AUDITS</b>				
Cyber Security Operating system review Firewall Security Penetration Testing Remote Access protals/VPN Disaster Recovery Telephony	10 15	15   5	    15	10    10
<b>CONTRACT AUDITS</b>				
Programme Management Final Accounts Contract Management audits		10 10 10		
<b>CROSS SERVICE REVIEWS</b>				
Fire Risk Management Property Management Welfare Reform - Support to claimants	10	10		10
<b>OTHER</b>				
<b>Management &amp; Admin</b> <b>Ad-Hoc/Contingency</b> <b>NFI Co-Ordination</b> <b>NFI Testing</b> <b>Follow Up</b>	10 6.5 2.5 2.5 7.5	10 6 2.5 2.5 7.5	10 6.5 2.5 2.5 7.5	10 6 2.5 2.5 7.5
	<b>116</b>	<b>126.5</b>	<b>139</b>	<b>132.5</b>

CHIEF EXECUTIVE	16/17	17/18	18/19	NOTES
<b>COMMUNITIES</b>				
<b>Leisure</b>				
WBC Leisure Trust - Contract Management	8			Postponed from 2015/16 Plan
<b>Housing</b>				
Compliance with the Housing & Planning Bill 2015	10			
Local Plans for new homes		10		
Housing Maintenance			10	
Housing Tenancy		8		
Rent Collection and Collection of Arrears	10	10	10	Annual audit
Right to Buy	8			
Void Management			8	
Sheltered Accommodation	8			
Leasehold Management		8		
Private Sector Leasing arrangements		8		
Homelessness		15		
<b>Wellbeing</b>				
Grants to Voluntary Orgs/ ADC Pot of Gold			8	
Contract Management audit - Voluntary & Community contract Partnerships	10		15	Look at all of the Wellbeing partnerships
<b>Environment</b>				
<b>CUSTOMER SERVICES</b>				
Disability Awareness	8			
<b>Revenues &amp; Benefits</b>				
WBC Revenues (Council Tax & NDR)	15	15	15	
WBC Benefits	10	10	10	
CenSus - NDR	30	10	10*	Cover all 3 areas in 17/18 due to service coming back from CenSus
CenSus - Benefits		10	10*	* possibly cover within overall W & A Revs & Bens audits
CenSus - Council Tax		10	10*	
<b>Waste &amp; Cleansing</b>				
Waste Management			8	
Recycling		10		
AWCS			10	
Fleet & Transport Management	8			
<b>Customer Contact &amp; Engagement</b>				
Contact Centre	10			
Electoral Services			10	
<b>Building Control &amp; Land Charges</b>				
Building Control			10	
Local Land Charges	10			
Local Land & Property Gazetteer			8	
<b>ECONOMY</b>				
<b>Culture</b>				
Visitors & Events			10	
<b>Place &amp; Investment</b>				
Economic Development			10	
Fixed Assets	10	10	10	Annual audit
<b>Growth</b>				
Compliance with the Housing & Planning Bill 2015	10			
Planning			10	
Estates		10		
Local Development Framework			10	
<b>DIGITAL &amp; RESOURCES</b>				
<b>Finance</b>				
Medium Term Financial Strategy	8			
Budget Monitoring		10		
General Ledger	10	10	10	Annual audit
Business rate Forecasting & Income Projection		8		
Capital Accounting	8	8	8	Annual audit
Treasury Management	8	8	8	Annual audit
Tax Risk assessments (VAT & employee taxes)		8		
Creditors	10	10	10	Annual audit
Debtors	10	10	10	Annual audit
Payroll	10	10	10	Annual audit
Cashiering	10	10	10	Annual audit
Counter Fraud Arrangements & Fraud Awareness			10	
<b>Legal Services</b>				
Corporate Governance	10	10	10	Annual audit
Compliance with the Freedom of Information Act			10	
Compliance with the Data Protection Act		10		
Adoption of powers from the Psychoactive Substance Bill 2015			8	
<b>Digital &amp; Design</b>				
ICT Management & Strategy		10		
Risk Management	10	10	10	Annual audit
<b>People</b>				
<b>Business &amp; Technical Services</b>				
<b>Organisational Development</b>				
<b>COMPUTER AUDITS</b>				
HMS Application			10	
Other application audit (to be determined)		10		
Cyber Security	15			
Thematic review of password security of all key systems		15		
Operating system review	10			
Incident Management			10	
Firewall Security	10			
Web Security		15		
Internet & Email security			10	
Penetration Testing	15			
Bring Your Own Devices		10		
Gap analysis against Government Cyber Essentials Initiative		15		
Network Infrastructure Security			15	
Mobile Devices		10		
Remote Access protals/VPN	10			
Disaster Recovery	5		15	Extended follow-up in 16/17
Telephony	15			Postponed from 2015/16 Plan

Data Protection & Information Governance			15	
<b>CONTRACT AUDITS</b>				
Programme Management	10			Postponed from 2015/16 Plan
Final Accounts	10			Postponed from 2015/16 Plan
Contract Management audits	10	10	20	Contracts to be determined
Compliance with Public Contracts Regulations 2015		10		
Procurement Regulations			10	
<b>CROSS SERVICE REVIEWS</b>				
Fire Risk Management	10			
Project Management			10	
Property Management	10			
Debt Management		8		Debt recovery reviewed as part of rent accounting, NDR, C Tax and Debtors audits
Business Continuity			10	
Welfare Reform - Support to claimants	10			
Ethics (including gifts & hospitalities and declarations of interest)		8		
<b>OTHER</b>				
Management & Admin	40	40	40	
Ad-Hoc/Contingency	25	25	20	
NFI Co-Ordination	10	10	10	
NFI Testing	10	25	10	
Follow Up	30	25	20	
	<b>514</b>	<b>512</b>	<b>511</b>	