

2016/17 SWAP Internal Audit Plan

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Purpose of the Report

As a key element of its Governance arrangements the Council has a partnership arrangement with South West Audit Partnership to deliver an annual internal audit plan. The Assistant Director for SWAP, together with the Council's S151 Officer have produced an Audit Plan for 2016-17 that requires the approval of the Audit Committee.

Recommendation

That the Audit Committee approve the Internal Audit Plan of 333 days for April 2016 to March 2017.

Background

The total number of audit days planned for 2016-17 is 333 days, which is a reduction from the prior year. A reduction of 36 days was made to the plan as part of the Council's efficiency savings and the current level is considered the coverage required in order to be able to provide an overall assurance rating on the Council's internal control framework and governance.

This plan has been pulled together with a view to providing assurance to both Officers and Elected Members of the current and imminent risks faced by the Authority in an ever changing risk environment. If an emerging risk or a fraud investigation is deemed higher risk than the audits in this Audit Plan then changes may be required during the year. The Committee are approving the initial plan of 333 days. Any changes will be reported to Committee quarterly for approval.

To ensure that to the best of our ability we have covered the necessary risks, the Assistant Director and the Section 151 Officer have together, whilst also considering audits already undertaken in recent years, produced the plan detailed in Appendix A.

Advice and Meetings - Internal Audit are risk experts and as well as undertaking planned audits are always glad to assist officers where they seek advice on managing their risks. Similarly, to enable effective governance Internal Audit work closely with the External Auditors and with the Section 151 Officer and the Audit Committee through regular liaison meetings and progress reporting.

Follow Up Audits – Internal Audit follow up on all Audits being given a 'Partial or No Assurance' level to ensure that agreed actions to mitigate risks have been implemented. There are no Partial's to follow up to date, the 4 days being a contingency for audits not yet completed from the 2016/17 plan.

IT Audits – IT Reviews are completed to provide the Authority with assurance with regards to their compliance with industry best practice. SWAP has specialist Computer Auditors who

will liaised with the I.T. Manager to identify specific I.T. related risks. There will be 3 specialist reviews, the exact scope of which has yet to be determined.

Operational and Governance Audits - Operational audits are a detailed evaluation of a service or functions control environment. A risk evaluation matrix is devised and controls are tested. Where weaknesses or areas for improvement are identified, actions are agreed with management and target dated. Governance audits focus primarily on key risks relating to cross cutting areas that are controlled and/or impact at a corporate rather than service specific level. It also provides an annual assurance review of areas of the Council that are inherently higher risk or could be subject to fraud. This work will, in some cases, enable SWAP to provide management with added assurance that they are operating best practice as we will be conducting these reviews at other Client Sites.

Key Financial Controls Audits - This process focuses primarily on key risks relating to the Council's major financial systems. There are 8 recognised key financial systems; Capital Accounting, Creditors, Debtors, Housing and Council Tax Benefits, Main Accounting, Council Tax & Non-Domestic Rates, Payroll, Treasury Management.

The Audit Committee will be aware from the quarterly update reports that in recent years the key control audits have continued to receive high levels of assurance and several received substantive assurance. As a result, using a risk based methodology all of the key controls do not need an annual review. The exact scope of these audits will be agreed with the S151 Officer prior to commencement, taking into account emerging and current issues.

Financial Implications

There are no financial implications associated with these recommendations.

Background Papers: None

Appendix A

SSDC Internal Audit Plan 2016-17	Days Planned	Rationale
Client Support	39	
Committee Reporting & Attendance	12	Audit Committee and Reports
Corporate Advice	6	Guidance and advice on best practice
External Audit	3	Liaison with Grant Thornton.
Planning / Client Liaison	13	Audit Planning / S151 Liaison
Waste Partnership Contribution	5	Theme to be advised.
Follow Up Audits (unallocated)	4	Review 2015/16 Partial Assurances
ICT (To be confirmed)	30	
Operational and Governance Reviews	235	
Culture	15	Change Management review.
Safeguarding	10	Is the Council meeting its statutory responsibilities?
LED	15	Contract Compliance/ Health and Safety Audit (Wincanton/ Goldenstones etc)
Healthy Organisation	40	To undertake the 8 key themes (Corporate Governance/Financial Management/Risk Management/Performance Management/Commissioning and Procurement / Programme & Project Management/Information Management/People & Asset Management)
Key Income Streams	20	
Data Protection	20	No recent audit in this area (any reviews have been centred on specific investigations rather than a corporate wide review).
Delivering Cost Savings and Increasing Income	20	This should be an audit of the assumptions made in the MTFP and looking at whether these assumptions were delivered.
Corporate Health & Safety	15	No recent audit in this area (any reviews have been centred on specific investigations rather than a corporate wide review).
Yeovil Cemetery & Crematorium Annual Accounts	3	Completed Annually
Boden Mill & Chard Regeneration Scheme Statement of Accounts	2	Completed Annually
Land Charges	10	Large expenditure in this area.
Elections	15	Large expenditure in this area.
Local Council Tax Support Scheme	15	Review of application of latest update.
Lufton Vehicle Workshop	15	H&S and vehicle maintenance records and charging and collection of payments for external work

Scheme of Delegation	15	Including review of committee decision making processes.
Corporate Procurement Cards	5	
Key Financial Control Audit	25	Including a high level review of Treasury Management and Creditor CIS financial controls
Total Planned Audit Days:	333	