

Audit Committee – 22nd January 2009

## 5. Internal Audit Plan 2009/10

*Head of Service:* Gerry Cox, Head of Internal Audit Partnership  
*Lead Officer:* Gerry Cox, Head of Internal Audit Partnership  
*Contact Details:* gerry.cox@southwestaudit.gov.uk or (01458) 257410

### **Purpose of the Report**

To provide the Audit Committee with details of the internal audit plan for 2009/10.

### **Recommendation**

That the Audit Committee approves the internal audit plan for 2009/10.

### **Background**

The annual internal audit plan is derived from a four year strategic audit plan that was devised with the co-operation and approval of the Section 151 Officer. The plan is risk based and is co-ordinated with the audit plans of the other members of the South West Audit Partnership (SWAP).

Although the annual audit plan is derived from a long-term strategic plan, SWAP regularly reviews the risk status and ranking of all auditable entities. This is to ensure that the highest risk areas are always given priority for internal audit review. We review at least twice a year the current risk rank order of the strategic plan and, with the agreement of the Section 151 Officer, make appropriate amendments.

As part of the SWAP partnership strategy, a number of audits planned for next year will be carried out across all the partnership. Joint audits of this kind derive real benefits in both reducing the overall time taken and in the shared lessons that can be learnt by all the partners.

### **The Audit Plan**

The audit plan is broken into four main areas of activity as detailed below. The operational reviews are comprehensive in nature and cover the entire range of risks and controls. A detailed report is issued at the end of the audit review and an agreed action plan devised. Progress on the action plan is reviewed by internal audit between 6 and 12 months after the main systems review. At the request of the Section 151 Officer, a number of areas will be subject to review annually and are indicated with \*. For these reviews, the key controls will be tested annually with the remaining controls tested in descending risk order over the period of the strategic plan.

This year, for the first time, we have introduced a new specialist area of Governance, Fraud and Corruption. In the past we have audited certain aspects of governance piecemeal, as we conduct each individual review. For instance, when carrying out an audit of say Car Parks, the auditor would consider areas such as procurement, fees and charges, risk management etc. In effect the same work was being replicated across a range of services. This year it is proposed that the time previously spent on these areas, within individual audits, be consolidated into a single cross-cutting review. SWAP believes that this will provide the most timely and valuable assurance for management and members, whilst maintaining a high level of operational review.

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Key control reviews are carried out in support of the work done by the Audit Commission and focus on financial control. These reviews are carried out annually between October and December. A report is issued for each review providing an assessment of the viability of controls in all areas and recommending improvements, where appropriate. Where a full operational audit is planned for one of the areas normally covered under the key control review, then the work is combined and co-ordinated.

In addition to our core audit work, as described above, internal audit also provide a range of other services including risk advice, follow-up reviews, specialist advice and special investigations.

## Operational Reviews

- Asset Management
- \*Car Parks
- CCTV
- \*Community Resource Centre
- Community Safety
- Creditors
- Customer Services
- Development Control
- Fleet Management
- Health & Safety at Work
- \*Homelessness
- Human Resources
- \*Leisure Pools
- Licensing
- Markets
- \*Octagon Theatre
- \*Officers Claims & Allowances
- Parks & Open Spaces
- Property Services
- Risk Management System
- Strategic Housing
- Telephones
- \*Yeovil Recreation Centre
- Information Systems Reviews

## Governance, Fraud and Corruption Reviews

- Procurement (purchasing cards)
- Petty Cash
- Fees and Charges
- Health & Safety (lone working)
- Performance (service planning)
- Gifts & Hospitality (register of interests)
- Business Continuity (communications)
- Absence Management
- Information Governance
- Partnership Arrangements
- Corporate Policy
- Section 106 and Commuted Sums
- Performance Indicators – Quality Check

## Key Control Audits

- Capital Accounting
- Main Accounting
- Council Tax
- Debtors
- Housing Benefits
- Treasury Management
- Business Rates
- Payroll

## Other Planned Audit Activity

- Risk Advice
- Follow Up Reviews
- Special Reviews
- Corporate Advice
- General Advice

## Financial Implications

None.

**Background Papers:** None.