

Audit Committee – 28<sup>th</sup> February 2013

## 6. 2013/14 SWAP Internal Audit Plan

*Head of Service:* Gerry Cox, Head of Internal Audit Partnership  
*Lead Officer:* Andrew Ellins, Audit Manager  
*Contact Details:* andrew.ellins@southwestaudit.gov.uk or (01935) 462378

### Purpose of the Report

This report has been prepared for the Audit Committee to provide them with details of the audits planned for the next financial year.

### Recommendation

To agree the Internal Audit Plan for April 2013 to March 2014.

### Background

The Total number of audit days planned for 2013-14 remains at 419 days.

As last year, this plan has been pulled together with a view to providing assurance to both officers and members of the current and imminent risks faced by the Authority in an ever changing risk environment. The plan is only indicative to facilitate the planning of audit resources. We anticipate that the plan will have to remain flexible to address new and emerging risks faced by the Council.

SWAP also have recommended 'Themed' audits following Risk Management Facilitation Meetings with representatives of South West Councils where common emerging risks were identified in order to seek to compare and contrast best practice.

**Key Control Audits** - This process focuses primarily on key risks relating to the Council's major financial systems. It is essential that all key controls identified by the External Auditors are operating effectively to provide management with the necessary assurance. To this end we have liaised with them and included any requirements they have in providing them necessary assurance, in line with the International Auditing Standards, that they are required to audit against. There are 8 annual audits planned:

- Capital Accounting
- Creditors
- Debtors
- Housing and Council Tax Benefits
- Main Accounting
- NNDR
- Payroll
- Treasury Management

**Governance, Fraud and Corruption Audits** – This process focuses 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 all our Client Sites.

We fully consulted with each of our Client Section 151 Officers and with them, or their representatives at the SWAP Management Board, we carried out a Control and Risk Self Assessment workshop to identify the major risks facing their organisations for the coming year. There are 11 reviews planned:

- Troubled Families
- Fighting Fraud Locally
- NNDR – Managing New Risks and Liabilities
- Debt Management
- Asset Management - Leasing
- Unofficial Voluntary Funds
- Corporate Procurement Cards
- Use of Cash Collection Contractors; Banking (Loomis) and Bailiffs
- Resource Centre – Contract Compliance
- Boden Mill and Chard Regeneration Scheme Statement of Accounts
- Yeovil Crematorium and Cemetery Annual Return

**IT Audits** – IT Reviews are completed to provide the Authority with assurance with regards to their compliance with industry best practice. SWAP has a specialist Computer Audit Manager who will liaise with the I.T. Manager to identify specific I.T. related risks. There will be at least 2 specialist reviews:

- Mobile and Remote Working (SWAP IT Themed audit)
- To be Agreed

**Operational 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. The S151 Officer has requested on-going assurance that the key income streams are well controlled and opportunities for losses are minimised and opportunities for increased income are maximised. There are 10 audits planned:

- Careline Income
- Car Parks Income
- Goldenstones Income
- Homelessness Prevention Income
- Licensing Income
- Octagon Theatre Income
- Plant Nursery Income
- Section 106 Agreements Income
- Wincanton Sports Centre Income
- To Be Agreed

**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. We have provisionally planned 15 days to do follow-up reviews.

**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 Audit Commission and with the Section 151 Officer and the Audit Committee through regular liaison meetings and progress reporting.

Appendix A – List of the Audits Planned for 2013-14.

**Financial Implications**

There are no financial implications associated with these recommendations.

**Background Papers:** *None*

---