

HAMBLETON DISTRICT COUNCIL

Report To: Audit, Governance and Standards Committee
21 March 2017

From: Director of Finance (s151 officer)

Subject: **INTERNAL AUDIT PLAN 2017/18**

All Wards

1.0 PURPOSE AND BACKGROUND:

- 1.1 The work of internal audit is governed by the Public Sector Internal Audit Standards (PSIAS). In accordance with those standards and the Council's Audit Charter, internal audit is required to prepare an audit plan on at least an annual basis. This report includes the proposed Internal Audit plan for 2017/18.

2.0 THE REPORT

- 2.1 Once a year the ongoing audit planning process is formalised with the production of the Annual Internal Audit plan. The plan is based on a risk assessment which helps to ensure limited audit resources are prioritised towards those areas which are considered to be the most appropriate and/or which contribute the most to the achievement of the Council's priorities and objectives.
- 2.2 The content of the internal audit plan has been subject to consultation with directors and other senior officers, and discussion with the Chair of this committee.
- 2.3 The audit plan includes an estimate of the time individual elements will take. The estimate of time seeks to reflect the depth of risks and work required and was agreed between internal audit and officers during the planning process. Discussions at the planning process plus previous knowledge and experience help inform these estimates.
- 2.4 It is important that audit resources are used effectively and continue to focus on those areas which will add the most value. Continued dialogue and collaboration with management will therefore take place through the year to ensure that any new risks or changed priorities are identified and reflected in planned work. As a result, the Plan will continue to evolve throughout the year to take account of changes in the Council's priorities and risk profile. The Plan should therefore be viewed as a relatively flexible document. Further information on the internal audit planning process was provided to this committee in June 2016.
- 2.5 The audit plan includes 285 days of audit work which is the same number of days as in 2016/17.

3.0 DECISIONS SOUGHT:

- 3.1 The Audit, Governance and Standards Committee is asked to approve the proposed Internal Audit Plan for 2017/18.

4.0 LINK TO COUNCIL PRIORITIES

- 4.1 The work of internal audit supports the council's overall aims and priorities by promoting probity, integrity and honesty and by helping support the council to become a more effective organisation.

5.0 RISK ASSESSMENT:

- 5.1 There are no risks associated with the recommendations in the report.

6.0 FINANCIAL IMPLICATIONS:

- 6.1 There are no financial implications associated with the recommendations in the report.

7.0 LEGAL IMPLICATIONS:

- 7.1 There are no legal implications associated with the recommendations in the report.

8.0 RECOMMENDATIONS:

- 8.1 It is recommended that the Internal Audit Plan 2017/18 be approved.

LOUISE BRANFORD WHITE
DIRECTOR OF FINANCE (S151 OFFICER)

Background papers: None

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Hambleton District Council

Internal Audit Plan 2017/18

Audit Manager:
Head of Internal Audit:

Stuart Cutts
Max Thomas

Circulation List:

Member of the Audit, Governance & Standards
Committee
Chief Executive
Executive Director & Deputy Chief Executive
Management Team

Date:

March 2017

Introduction

- 1 This document sets out the planned 2017/18 programme of work for internal audit, provided by Veritau for Hambleton District Council.
- 2 The work of internal audit is governed by the Public Sector Internal Audit Standards. In accordance with those standards and the Council's Audit Charter, internal audit is required to prepare an audit plan on at least an annual basis.
- 3 The Head of Internal Audit is required to produce an annual internal audit opinion to the Council based on an objective assessment of the effectiveness of the framework of Risk Management, Governance and Internal control. Our planned audit work includes coverage of all three areas to develop a wider understanding of the assurance framework of the Council and provide a fully informed body of work to provide that opinion.
- 4 The internal audit plan has been prepared on the basis of a risk assessment. This is intended to ensure limited audit resources are prioritised towards those systems which are considered to be the most risky and/or which contribute the most to the achievement of the District Council's priorities and objectives. The content of the internal audit plan has been subject to consultation with directors and other senior officers.
- 5 The internal audit plan is submitted for formal approval by the Audit, Governance and Standards Committee who are also responsible for monitoring progress against the plan. Changes to the plan will be agreed with the Director of Finance (s151 officer) and will be notified to this committee. Proposed work is also discussed with the Council's external auditors to ensure there is no duplication of effort. We will provide regular updates on the scope and findings of our work to the Audit, Governance and Standards Committee throughout 2017/18.
- 6 The plan is based on a total number of 285 days for 2017/18 which is the same as in 2016/17.

2017/18 Internal Audit Plan

- 7 The plan has been structured in sections under the responsibilities of each Director of the Council plus the time allocated as client support, advice and follow up. Further information is included in **Appendix A**.

Internal Audit Plan 2017/18

Appendix A

Director of Finance (s151 officer)

Revenues and Benefits

Audit	Scope	Days
Housing Benefits	To review the key risks/controls involved in awarding and paying benefits including the Council Tax Support Scheme.	15
Council Tax and NNDR	A review of the key risks/controls for the setting and collection of local tax including income collection performance management arrangements.	10
		25

Corporate Finance

Audit	Scope	Days
Payroll	A review of the payroll system and key controls associated with payroll processing.	10
Creditors	To review the key risks/controls surrounding the payment of Creditors invoices.	10
Sundry Debtors	A review of the systems for raising debtor invoices and collecting income, credit control, and debt recovery arrangements.	10
Income and Receipting	To review the key risks/controls surrounding receipting and balancing of monies received. We will specifically review the key controls in place at Leisure Centres and Customer Services.	15
		45

Performance and Information Technology

Audit	Scope	Days
Risk Management	A review of the effectiveness of the Risk Management arrangements to highlight and robustly manage the key strategic risks of the Council.	10
Project Management	A review of the effectiveness of the current Project Management policies, procedures and processes in place at the Council.	15
ICT	A review of key ICT risks and controls. The specific area will be agreed with officers during the year.	15
		40

Projects

Audit	Scope	Days
Purchase to Pay	To provide support, guidance and challenge to the introduction of a 'Purchase to Pay' module to the creditors system.	10
Payment Card Industry Data Security Standards (PCI DSS)	To further review and support the arrangements the Council has in place to comply with the requirements of PCI DSS.	5
		15
		125

Director of Leisure and Environment

Audit	Scope	Days
Emergency Planning, Business Continuity and Disaster Recovery	To appraise the progress made in improving Business Continuity and ICT disaster recovery arrangements. Work will also review the contractual arrangements for Emergency Planning. We will also offer advice and assistance as/when required.	15
Pre employment checks	To help support, review and challenge the arrangements for pre-employment checks in Leisure Centres (and elsewhere if/as required) following the findings from the 2016/17 work.	20
Environmental Health	To support and review the continued management of key performance and operational risks within Environmental Health with specific focus on Food Inspection.	10
		45

Director of Law and Governance

Audit	Scope	Days
Procurement	A review of the operational effectiveness of the Council's corporate arrangements for procurement. We will also review the Council's arrangements against key risk areas highlighted in the December 2016 Home Office report in respect of the threat from Serious and Organised Crime to publicly procured services in Local Government.	15
Contract Management	A review of the management of a sample of contracts to ensure these were being managed in line with Council and best practice expectations	15
Licensing	To review the key risks and controls in place in respect of Licensing.	15
		45

Director of Economy and Planning

Audit	Scope	Days
Design and Maintenance	To consider the management of the key service, performance and operational risks of the Design and Maintenance function.	20
Development Management	To provide support and challenge to help improve the current ways of working on the IDOX system.	5
		25

Client Support, Advice and Follow up

Area	Days
Committee Preparation and Attendance	12
Audit Planning and Client Liaison	8
Follow up of previous years findings	8
Miscellaneous Advice	8
Financial Appraisals	5
Other (e.g. External Audit Liaison, Member and Officer Training)	4
	45
	285