

Report of	Meeting	Date
Head of Shared Assurance Services	Governance Committee	14 March 2013

INTERNAL AUDIT PLAN 2013/14

PURPOSE OF REPORT

1. To remind members of the respective roles of managers and Internal Audit to maintain a sound system of governance and internal control within the Council.
2. To summarise and explain the basis of the Internal Audit Annual Plan for 2013/14.
3. To seek the Governance Committee's approval of the 2013/14 Internal Audit Plan.

RECOMMENDATION

4. That the Committee approves the 2013/14 Internal Audit Plan.

EXECUTIVE SUMMARY OF REPORT

5. The 2013/14 Internal Audit Plan has been compiled in consultation with Strategy Group and following a detailed risk assessment of audit needs.

Confidential report Please bold as appropriate	Yes	No
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CORPORATE PRIORITIES

6. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy communities		An ambitious council that does more to meet the needs of residents and the local area	X

BACKGROUND - THE ROLE OF MANAGEMENT AND INTERNAL AUDIT

7. The responsibility for implementing a strong system of governance and internal control within the Council lies primarily with management. Directors and Heads of Service need to ensure that they maintain effective control procedures not least because services and business systems are subject to on-going change.

8. Internal Audit is an independent appraisal function whose prime objective is to evaluate and report on the adequacy of the Council's system of governance and internal control. This is largely achieved through an annual programme of reviews, following a detailed assessment of audit need.

AUDIT PLAN

9. The 2013/14 Internal Audit Plan contains the programme of reviews for the next financial year and is shown at the **Appendix**. The Plan has been constructed following a risk assessment which considers a range of risk factors, such as items in the Corporate Risk Register, significant changes in staffing, systems and procedures and the length of time since an area was last audited. There has also been extensive consultation within each service and by Strategy Group which has taken an overview of audit requirements.

10. In addition to the work programme for Chorley Council and the Shared Service, Members will recall that Internal Audit also provides Internal Audit Services to St. Catherine's Hospice. This is also included within the appendix.

11. The following paragraphs summarise the individual audit areas that will be subject to audit coverage in 2013/14.

12. Corporate

- Undertaking corporate and service level governance reviews in support of the Annual Governance Statement;
- Raising Officers' and Members' awareness of fraud by publishing regular fraud bulletins;
- Co-ordinating the Council's input to the Audit Commission's National Fraud Initiative (NFI), which enables specific data on the Council's computer systems to be collated and "matched" with similar data from other councils/public bodies, in order to identify any potential irregularities;
- Developing a suite of computerised interrogations of the Council's systems to identify any instances of fraud or error; and
- Undertaking effectiveness and/or compliance reviews of important corporate policies and procedures.

13. Partnerships, Planning & Housing

Housing:

- A review of Cotswold House processes to ensure effective compliance with all relevant regulations and procedures, including the recently introduced cash collection system.

Planning:

- Project team membership for the implementation and on-going monitoring of the Community Infrastructure Levy.

Economic Development:

- A review of the operational arrangements of the Markets.

14. Chief Executives / Transformation

Policy:

- Verification of the integrity of the performance management data.

Governance:

- A review of the operational requirements of Facilities and Building Management.

ICT:

- A review of corporately issued mobile phones to include allocation and usage.
- Post implementation review of the Sharepoint Information system.

Revenues and Benefits:

- A review of the application of Council Tax Discounts.
- A review of the key financial systems within Revenues and Benefits.

Property:

- A review of the contract and overall arrangements with Liberata.

Human Resources:

- Membership on the project team for the proposed new payroll system.

15. People & Places

- A review of the effectiveness of the main fuel management system and other fuel monitoring systems.

Health, Environment and Neighbourhoods:

- A review to confirm that robust time management standards are applied.
- A review of the operational arrangements for CCTV.

16. General Areas

- Undertaking investigations;
- Following up management actions agreed in earlier audit reports;
- Completing any residual work outstanding from 2012/13;
- Responding to requests from Management for unplanned reviews; and
- Preparing reports for and attending the Governance Committee.

17. Shared Services

- A series of reviews to provide assurance that effective controls remain in place within Shared Financial Services.

18. External Contract

- Reviews to be confirmed at a later date.

IMPLICATIONS OF REPORT

19. This report has implications for all service areas within the Council.

COMMENTS OF THE STATUTORY FINANCE OFFICER

20. These are covered within the body of the report

COMMENTS OF THE MONITORING OFFICER

21. Not applicable to this report.

GARRY BARCLAY
HEAD OF SHARED ASSURANCE SERVICES

BACKGROUND PAPERS

There are no background papers to this report.

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APPENDIX - INTERNAL AUDIT PLAN 2013/14

CHORLEY COUNCIL	DAYS	COMMENTS / RATIONALE
CORPORATE AREAS		
Annual Governance Statement	15	Annual requirement
Anti-Fraud & Corruption	15	Annual requirement
NFI	20	Participation in national exercise
System Interrogations	10	Efficiency / fraud detection
Financial Regulations	5	Assist with the revision of Financial Regulations
PARTNERSHIPS, HOUSING AND PLANNING		
Housing		
Cotswold House	15	Effectiveness of processes and procedures
Planning		
CIL (with SRBC& PCC)	10	Project team membership and on-going monitoring
Economic Development		
Markets	10	Review of overall arrangements
TRANSFORMATION		
Policy		
Performance Management	5	Review of the integrity of selected data
Governance		
Facilities & Building Management	15	Review of overall arrangements
ICT		
Mobile Phones	15	Allocation and usage review
Information Management	15	Post implementation review
Revenues & Benefits		
Council Tax Discounts	15	System review
Council Tax	30	Key Financial System
Non Domestic Rates		Key Financial System
Housing & Council Tax Benefits		Key Financial System
Debtors		Key Financial System
Property		
Asset Management	15	Review of Liberata contract
Human Resources		
New Payroll System	15	Project team membership
PEOPLE & PLACES		
Fuel Management	10	Review of monitoring systems
Health, Environment and Neighbourhoods		
Neighbourhood Officers	10	Review of time management standards
CCTV	15	Review of overall arrangements

GENERAL AREAS		
Irregularities (Contingency)	20	To respond to allegations of fraud and irregularity
Post Audit Reviews	10	Verification that Management actions are implemented
Residual Work from 2012/13	15	To be completed in quarter 1
Unplanned Reviews	20	To respond to any requests from management
Governance Committee	20	To prepare reports and attend Governance Committee
TOTAL	345	

SHARED FINANCIAL SERVICES	DAYS	COMMENTS / RATIONALE
Main Accounting System	15	Key Financial System
Creditors	15	Key Financial System
Payroll	20	Key Financial Systems
Treasury Management	15	Key Financial Systems
Cash & Bank / Cheque Control	20	Key Financial System / Change of Banker
Residual Work from 2012/13	20	To be completed in quarter 1
Post Audit Reviews	10	Verification that Management actions are implemented
Contingency	20	To respond to any requests from management
TOTAL	135	
ST CATHERINE'S HOSPICE		
Reviews to be decided	30	
TOTAL	30	