Chorley Council

Report of	Meeting	Date
Head of Shared Assurance Services	**Governance Committee**	**11th March 2015**

INTERNAL AUDIT PLAN 2015/16

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 seek the Governance Committee's approval of the 2015/16 Internal Audit Plan.

RECOMMENDATION

3. That the Committee approves the 2015/16 Internal Audit Plan.

EXECUTIVE SUMMARY OF REPORT

4. The 2015/16 Internal Audit Plan has been compiled in consultation with Directors and Heads of Service following a detailed risk assessment of audit needs.

Confidential report Please bold as appropriate	Yes	**No**

CORPORATE PRIORITIES

5. 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

6.   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.

7.   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

8.   The 2015/16 Internal Audit Plan contains the programme of reviews for the next financial year and is shown at **Appendix 1**. 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.

9.   The following paragraphs summarise the individual audit areas that will be subject to audit coverage in 2015/16.

10. **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.

11.   **Chief Executive**

Policy and Communications:

- Verification of the integrity of performance management data.
- A review of compliance with the Key Partnerships Framework.

Governance:

- Membership of the Market Walk project team.

Finance:

- Membership of the project team for the proposed new payroll arrangements.
- A system review of travel and expenses.
- A review of compliance with Contract Procedure Rules.

12. **Customer & Advice Services**

ICT:

- A review of information security incorporating the Information Security Framework and penetration testing.
- A review of the new disaster recovery arrangements.

Customer:

- Continued involvement in the project team for the migration of services to the Single Front Office.
- A review of the key financial systems within Revenues and Benefits.

13. **Public Protection, Streetscene & Community**

Health, Environment and Neighbourhoods:

- Assisting with the new arrangements for empty properties.
- A review of the administration and enforcement of licences.

Leisure and Streetscene:

- Verification that the agreed management actions have been implemented for the recording and management of plant and equipment.
- A review of the tree maintenance and inspection regime.
- A review of compliance with Council policies and procedures for managing external events.

Planning:

- A system review of the Community Infrastructure Levy.

14. **General Areas**

- Undertaking investigations.
- Following up management actions agreed in earlier audit reports.
- Completing any residual work outstanding from 2014/15.
- Responding to requests from Management for unplanned reviews.
- Preparing reports for and attending the Governance Committee.

15. **Shared Services**

- We undertake a review of the Key Financial Systems annually however during 2014/15, we have changed our approach to the testing of the key controls within the financial systems. A cyclical approach has been adopted with specific controls targeted for in-depth compliance testing. This will continue for the 2015/16 Internal Audit Plan.
- A review of the arrangements for Insurance.

IMPLICATIONS OF REPORT

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

Garry Barclay
Head of Shared Assurance Services

BACKGROUND PAPERS

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
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APPENDIX - INTERNAL AUDIT PLAN 2015/16

CHORLEY COUNCIL	RISK	QTR	DAYS	COMMENTS / RATIONALE
CORPORATE AREAS				
Annual Governance Statement	N/A	1	20	Annual Requirement
Anti-Fraud & Corruption	N/A	ALL	15	Annual Requirement
NFI	N/A	ALL	20	Participation in National Exercise
CHIEF EXECUTIVE				
Policy & Communications				
Perf. Management / Data Quality	CRITICAL	1	15	Review of the Integrity of Data
Partnerships	CRITICAL	TBC	15	Compliance with the Framework
Governance				
Market Walk	N/A	ALL	10	Project Team Involvement
Finance				
New Payroll System / Arrangements	CRITICAL	ALL	10	Project Team Involvement
Travel and Expenses	MAJOR	TBC	15	System Review
Contract Procedure Rules	CRITICAL	TBC	15	Compliance with CPRs
CUSTOMER & ADVICE SERVICES				
ICT				
Information Security	CRITICAL	2/3	15	
Disaster Recovery	CRITICAL	3/4	15	Review of New Arrangements
Customer				
Transactional Services	CRITICAL	ALL	15	Continued Project Team Involvement
Council Tax	CRITICAL	3	35	Key Financial System
Non Domestic Rates	CRITICAL	3		Key Financial System
Housing & Council Tax Benefits	CRITICAL	3		Key Financial System
Debtors	CRITICAL	3		Key Financial System
PUBLIC PROTECTION, STREETSCENE & COMMUNITY				
Health, Environment and Neighbourhoods				
Empty Properties	MAJOR	1	5	Assisting with New Arrangements
Licencing	MAJOR	1	15	Review of Administration & Enforcement
Streetscene & Leisure				
Plant and Equipment	CRITICAL	1	5	Implementation of Agreed Actions
Tree Maintenance & Inspection Regime	MAJOR	TBC	10	Review of Arrangements
Management of External Events	MAJOR	TBC	15	Review of External Compliance
Planning				
Community Infrastructure Levy	CRITICAL	2/3	15	Post Implementation Review
GENERAL AREAS				
Irregularities (Contingency)	N/A	ALL	10	To Respond to Allegations of Fraud and Irregularity
Post Audit Reviews	N/A	ALL	10	Confirmation of Implementation of Agreed Actions
Residual Work from 2014/15	N/A	1	15	To be Completed in Quarter 1
Unplanned Reviews	N/A	ALL	10	Requests from Management
Governance Committee	N/A	ALL	20	Quarterly Meetings
TOTAL			**345**	

SHARED SERVICES	RISK	QTR	DAYS	COMMENTS / RATIONALE
SHARED FINANCIAL SERVICES				
Main Accounting System	CRITICAL	4		
Creditors	CRITICAL	4		
Payroll	CRITICAL	4	95	Review of the Key Financial Systems
Treasury Management	CRITICAL	4		
Cash & Bank / Cheque Control	CRITICAL	4		
SHARED ASSURANCE SERVICES				
Insurance	CRITICAL	1	20	Review of the Arrangements
GENERAL AREAS				
Residual Work from 2014/15	N/A	1	20	To be Completed in Quarter 1
Post Audit Reviews	N/A	ALL	10	Verification that Management Actions are Implemented
Contingency	N/A	ALL	20	Requests from Management
TOTAL			**165**	