

Report of	Meeting	Date
Head of Shared Assurance Services	Governance Committee	22nd March 2017

INTERNAL AUDIT PLAN 2017/18

PURPOSE OF REPORT

- 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.
- To seek the Governance Committee's approval of the 2017/18 Internal Audit Plan.

RECOMMENDATION

- That the Committee approves the 2017/18 Internal Audit Plan.

EXECUTIVE SUMMARY OF REPORT

- The 2017/18 Internal Audit Plan has been compiled in consultation with Directors and Heads of Service following a detailed risk assessment.

Confidential report Please bold as appropriate	Yes	No

CORPORATE PRIORITIES

- 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

- 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.
- 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.

AUDIT PLAN

8. The 2017/18 Internal Audit Plan contains the programme of reviews for the next financial year and is shown at **Appendix 1**. This has been constructed following an assessment of audit need by considering a range of factors, such as significant changes in staffing, systems and procedures, the length of time since an area was last audited and items in the Corporate Strategy and Corporate Risk Register. There has also been extensive consultation within each service which has taken an overview of audit requirements.
9. Members will recall that at the January meeting we advised we would be introducing a risk based approach to auditing from 2017/18 onwards. This will involve asking service managers to compile a risk register / risk and control self-assessment for each significant function / system / process for which they are responsible. The main objectives of this approach are to encourage greater ownership of risk and control issues within services and to optimise the benefits from the Internal Audit Service.
10. Therefore in 2017/18, using the revised methodology we will audit all the Council's CRITICAL systems. Some MAJOR systems will also be audited next year and the remainder in 2018/19.
11. The following paragraphs summarise the areas that will be subject to audit coverage in 2017/18.
12. Corporate
 - Annual review of the new CIPFA / SOLACE – Delivering Good Governance in Local Government Framework 2016.
 - Raising Officers' and Members' awareness of fraud by publishing regular fraud bulletins and update of Anti-Fraud and Corruption Policies.
 - Co-ordinating the Council's input to the Cabinet Office National Fraud Initiative (NFI) 2017 exercise for Council Tax Single Person Discount and the Electoral Roll and investigating data matches from the 2016 exercise in order to identify any potential irregularities.
13. Carrying our risk based reviews on the following systems:
 - Chorley Council**
 - Streetscene Health and Safety
 - Time Management System
 - Council Tax
 - NNDR
 - Housing Benefit
 - Sundry Debtors
 - Development Control
 - Transport
 - Data Protection
 - Homelessness (including prevention)
 - Market Walk
 - Commercial Properties.
 - Shared Services**
 - Treasury Management
 - Payroll
 - Creditors
 - Risk Management.

14. We will be involved with the following key corporate projects:

- Primrose Garden Retirement Living
- Digital Office Park
- Waste Contract Procurement.

15. We will assess compliance with two corporate policies:

- Data Quality – Performance Management Information.
- Key Partnership Framework.

16. General Areas – Chorley Council & Shared Services.

- Completing any residual work outstanding from 2016/17.
- Assisting with risk register production throughout the year.
- Following up management actions agreed in earlier audit reports.
- Responding to requests from Management for unplanned reviews / investigations.
- Preparing reports for and attending the Governance Committee.

AUDIT DAYS

17. The Internal Audit Plan for 2017/18 is based on a resource of **360 audit days for Chorley Council and 120 days for the Shared Service**. This is the number of chargeable days available within the existing budget (after deducting annual leave and other non-chargeable time). It comprises of a mix of in-house and bought-in resources from Lancashire Audit Services (Lancashire County Council).

IMPLICATIONS OF REPORT

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

Garry Barclay
Head of Shared Assurance Services

BACKGROUND PAPERS

Internal Audit Risk Assessment

Report Author	Ext	Date	Doc ID
Garry Barclay Dawn Highton	01772 625272 01257 515468	March 2017	2017 / 2018 Internal Audit Plan

APPENDIX ONE - INTERNAL AUDIT PLAN 2017/18

CHORLEY COUNCIL	RISK RATING	AUDIT DAYS
CORPORATE AREAS		
Annual Governance Statement	N/A	20
Anti-Fraud & Corruption	N/A	10
National Fraud Initiative	N/A	20
POLICY & GOVERNANCE		
Legal Democratic & HR Services		
Health & Safety - Streetscene	CRITICAL	15
Time Management System	CRITICAL	15
Performance & Partnerships		
Performance Management Information	CRITICAL	15
Key Partnership Framework	CRITICAL	15
CUSTOMER & DIGITAL		
Transformation		
Council Tax	CRITICAL	40
Non Domestic Rates	CRITICAL	
Housing Benefits	CRITICAL	
Sundry Debtors	CRITICAL	
Planning		
Development Control	MAJOR	15
Waste & Streetscene		
Waste Contract Procurement	N/A	10
Transport	MAJOR	15
ICT		
Data Protection	MAJOR	15
EARLY INTERVENTION		
Housing Options & Support		
Homelessness (including prevention)	MAJOR	15
Development & Regeneration		
Primrose Garden Retirement Living	N/A	10
Employment Skills & Business Support		
Digital Office Park	N/A	10
Market Walk & Town Centre		
Market Walk	CRITICAL	15
Property Services		
Commercial Properties	MAJOR	15
GENERAL AREAS		
Residual Work from 2016/17	N/A	20
Risk & Control Self-Assessment	N/A	30
Post Audit Reviews	N/A	10
Contingency / Irregularities	N/A	15
Governance Committee	N/A	15
TOTAL		360

SHARED SERVICES	RISK	DAYS
SHARED FINANCIAL SERVICES		
Treasury Management	CRITICAL	60
Payroll	CRITICAL	
Creditors	CRITICAL	
SHARED ASSURANCE SERVICES		
Risk Management	CRITICAL	15
GENERAL AREAS		
Residual Work from 2016/17	N/A	20
Risk & Control Self-Assessment	N/A	5
Post Audit Reviews	N/A	10
Contingency / Joint Committee Accounts	N/A	10
TOTAL		120