



Internal Audit Plan 2015 / 2016

MELTON BOROUGH COUNCIL

Head of Internal Audit: Jonathan Idle

INTERNAL AUDIT PLAN 2015/16

1. Introduction

- 1.1 This report sets out the proposed Internal Audit Plan for 2015/16 for approval by the Governance Committee.
- 1.2 In August 2014, LGSS was commissioned to manage the Welland Internal Audit Consortium. As part of this role, LGSS has been given responsibility for developing the Audit Plans for 2015/16. This has provided an opportunity to 'refresh' the approach to Audit Planning and ensure that the Plans are of optimum value to the Council and provide Members with the necessary assurances to exercise their roles and responsibilities.
- 1.3 In setting the Annual Audit Plan, the Public Sector Internal Audit Standards require:
- The Audit Plan should be developed reflecting the Council's key risks as identified through consultation with senior management and the Audit Committee; and
 - The Audit Plan should be reviewed and approved by an effective and engaged Audit Committee to confirm that the plan addresses their assurance requirements for the year ahead.

2. The Audit Plan

- 2.1 The Audit Plan is designed to support the provision of an annual Head of Internal Audit Opinion. The basis for forming this opinion is as follows:
- An assessment of the design and operation of the underpinning Governance, Assurance and Risk Frameworks and supporting processes; and
 - An assessment of the range of individual opinions arising from the risk based assignments, which will be reported throughout the year.

Planning Process

- 2.2 During February 2015, Individual meetings have been held with the Council's senior managers to identify the key potential risk areas for audit coverage.
- 2.3 Members of the Governance Committee were provided with an opportunity to raise any areas where they require assurance during 2015/16 as part of a training session delivered in February 2015.
- 2.4 Internal Audit also draw upon an "audit universe" (a gross list of potential areas for Internal Audit review) to highlight a list of further potential audit review areas for consideration.
- 2.5 The process has also incorporated consideration of potential audits which can be undertaken by drawing upon similar emerging themes from the Councils within the Welland Internal Audit Consortium.

2.6 The Audit Plan covers the two key component roles of Internal Audit:

- The provision of an independent and objective opinion to the Section 151 Officer/ Head of Financial Services and the Governance and Audit Committee on the degree to which risk management, control and governance support the achievement of Council objectives;
- The provision of an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements.

2.7 Following this consultation, a Draft Internal Audit Plan has been compiled. The Draft Internal Audit Plan is provided in Appendix A.

Appendix A

Draft Internal Audit Plan 2015/16

Assurance Area	Audit Assignment and Potential Coverage	Proposed days
Finance	Key Financial Controls Annual review of the Council's key financial controls. Testing upon which the External Auditors can place reliance.	15
	Revenues and Benefits Consultancy support in preparation for revision of processes, i.e. advising on system controls and efficiencies.	9
	Debtors System and Debt Recovery To provide assurance over the key controls within the Debtors system and review whether the controls are fit for purpose and operating effectively in practice.	10
	Financial Governance / Transparency Cross cutting review across the Consortium on compliance with the Transparency Code and reporting on budget setting and monitoring. To include review of effectiveness and accessibility of reporting i.e. whether unnecessary Freedom of Information requests avoided.	10
	Procurement Cards To provide assurance over controls in place to ensure appropriate, authorised use of credit cards. This can be undertaken alongside key controls testing on the Creditor system.	5
Service Delivery	Housing Repairs To provide assurance over the arrangements in place for the management of housing repairs across the District and the timeliness, quality and value for money of the services delivered.	20
	Intensive Housing Management Scheme To review the new system and provide assurance over the associated financial risks. Could include provision of consultancy support and an assurance review.	15
	New Build Programme To provide embedded assurance support to the project. Internal Audit to engage with the project early in 2015/16.	10
	Industrial Estates To provide assurance over the procedures in place for managing this responsibility since these were brought back in-house.	10
	Statutory Inspection Regimes (Communal areas) To review the process in place for inspections and provide assurance over the frequency of the checks and the ways in which these are prioritised, and the systems in place to reduce risk of claims.	15
	Wheels to Work To provide assurance over the procedures followed in running this service and the controls in place, including recovering payment of excesses where an insurance claim is made.	10

Assurance Area	Audit Assignment and Potential Coverage	Proposed days
	<p>Health and Safety To provide assurance over the Council's compliance with regulatory and legislative requirements.</p>	15
	<p>Planning Applications To provide a full review of the processes followed. To advise on areas for improvement / best practice and any areas where the processes are failing to deliver effective controls or efficiencies.</p>	5
ICT	<p>IT Helpdesk Service To review arrangements in place for the management of the outsourced service. This would support the review and award of the contract in 2015/16.</p>	30
	<p>IT Roles and Responsibilities To review the arrangements in place to define the roles and responsibilities of the IT Development staff and IT Support staff, security measures and segregation of duties.</p>	
Client Support	Committee attendance and preparation, client liaison, follow up of audit actions, committee training, audit planning, annual Head of Internal Audit reporting, Annual Governance Statement/National Fraud Initiative support and advice and assistance.	35
Welland Internal Audit Management	Management of the Welland Internal Audit Consortium.	21
	Total days commissioned	235

Note – Additional audit reviews were suggested for coverage in 2015/16, in relation to Tenancy Strategy, Pensions Auto-Enrolment and Licensing. Whilst there are insufficient delivery days to include these audits in the draft Audit Plan, if there are any changes to the contents of the Audit Plan during the year as a result of ongoing reviews of the risk environment, these will be considered as alternative assignments.