

Causeway Coast & Glens Borough Council

Annual Internal Audit Plan **2016/17**

Draft v3

May 2016

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1 Introduction

This document sets out the programme for the provision of Internal Audit services to Causeway Coast and Glens Borough Council for 2016/17 and is based on our audit needs assessment as detailed in the Internal Audit Strategy 2016-2019. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps organisations accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control and governance processes.

The Internal Audit service for 2016/17 is provided as a shared service comprised of an in-house Head of Internal Audit and a team from an out-sourced provider (Moore Stephens).

2 Terms of Reference

Based on the summary of audit resources (see Appendix A) we intend to carry out 148 days detailed assurance work. In our opinion, this should be sufficient to cover an adequate range of risks and systems to enable us to provide an overall assurance statement on the Council's system of risk management and internal control to inform the annual Governance Statement. We note however that this is dependent on input from both parties within the co-sourced Internal Audit Service (as set out in Appendix A); should the resources available change during the year, we will amend the Internal Audit Plan accordingly and present to the Audit Committee.

Our internal audit approach is risk based. We recognise that the risks to Council may well change during the current financial year and we will endeavour to take any significant changes in the Council's risk profile into account in our internal audit work.

3 Internal Audit Plan 2016/17

The following table sets out our proposed Audit Plan for the period 2016/17. A possible outline scope is included, but this may be amended to reflect key risks identified at audit planning stage. We will develop a timetable for each audit area to be covered following approval of this plan and discussion with senior management.

Audit Area	Days	Auditor	Month	Possible Outline Scope
Environmental Services Directorate				
Fleet management	8	In-house		<ul style="list-style-type: none">• Security and usage of fleet and fuel• Driver licencing• Operator licencing• Fleet maintenance• Motor insurance
Business continuity and emergency planning	7	Moore Stephens	July/August	<ul style="list-style-type: none">• Plans and planning• Communication & training• Testing

Audit Area	Days	Auditor	Month	Possible Outline Scope
Finance Directorate				
Budgetary control	7	In-house		<ul style="list-style-type: none"> Budget setting processes Budget monitoring processes Reporting of financial information
Payroll	6	In-house		<ul style="list-style-type: none"> Starters and leavers Changes to payroll standing data
Income and debtors	10	Moore Stephens	April	<ul style="list-style-type: none"> Invoicing raising Recovery of outstanding debts
Asset management	8	In-house		<ul style="list-style-type: none"> Policy Recording and accounting for fixed and tagged assets Monitoring assets
Performance Directorate				
HR - Absence monitoring & sickness	7	In-house		<ul style="list-style-type: none"> Absence notification Certification of illness Return to Work interviews
ICT environment	10	Moore Stephens	September	<ul style="list-style-type: none"> ICT governance Access controls Security and back-up Contingency and recovery
Land and property	6	In-house		<ul style="list-style-type: none"> Acquisition of land and property Sale or disposal of land and property assets Leases Valuation
Information governance and data protection	8	Moore Stephens	August	<ul style="list-style-type: none"> Information management policy Information retention, transmission and disposal Compliance with Data Protection Act 1998 Access controls
Performance improvement	4	Moore Stephens	November	<ul style="list-style-type: none"> Overview of progress against Council's Performance Improvement Plan
Leisure and Development Directorate				
Leisure facilities and caravan sites	12	Moore Stephens	May	<ul style="list-style-type: none"> Cash handling

Audit Area	Days	Auditor	Month	Possible Outline Scope
Capital Projects	9	Moore Stephens	December	Also linking with Environmental Services Directorate functions in capital projects <ul style="list-style-type: none"> Project planning Project management Project monitoring Case studies (ongoing/recently-completed projects)
Community facilities	10	In-house		For a sample of facilities: <ul style="list-style-type: none"> Cash handling Venue hire and income management Health and safety
PCSP	6	In-house		<ul style="list-style-type: none"> Governance Funding allocation Performance management
Events	7	Moore Stephens	November	<ul style="list-style-type: none"> Event approval Risk assessment Event management Monitoring & evaluation reporting
Community development and partnership arrangements	6	Moore Stephens	October	<ul style="list-style-type: none"> Decisions to engage in partnerships Reporting & monitoring of partnership arrangements Role of staff and elected members on partnerships
Planning Directorate				
Enforcement and development control	7	Moore Stephens	October	Focus on development control <ul style="list-style-type: none"> Application process and management Income management
Follow-up of prior year recommendations	10	In-house		Follow-up of implementation of actions identified in response to recommendations made in previous audit reports
Total	148			

We recognise the dynamic environment that the Council operates within and that risks are continually changing. It is therefore appropriate that the audit plan is not regarded as being fixed and inflexible. The priority and frequency of our audit work may change in order to recognise any changes to key risks areas identified within the Council. At the beginning of each audit assignment we will also consult with appropriate senior officers to ensure that current risk areas are included in the remit for our work and agree the scope of the audit work to be carried out.

The audit approach for each assignment will involve:

- Consideration of relevant information and key risks relating to the review area
- Documentation of the systems including reviewing existing arrangements in place and discussions with key staff
- Identification of key risk mitigation measures and evaluation of their adequacy through appropriate tests, discussions with key staff and observation

Following our audit fieldwork for each assignment we will discuss and agree our findings with relevant Council officers and issue a draft audit report for management to respond to our findings. A full audit report will be presented to the Audit Committee.

Our audit plan has been developed to provide coverage on the key risk areas identified in the Council and therefore does not include audit assignments in all areas within the Council. We have however built some contingency days into our audit resources (see Internal Audit Strategy 2015-2019) and should any additional areas require specific attention, we will adjust our plan accordingly.

Regular progress reports setting out our overall conclusions in each audit area and performance against plan will be provided to each Audit Committee meeting and an Annual Report will be presented at the end of the year presenting our overall assurance of the control environment within the Council.

Appendix B – Audit Resources

Description	Days 2016-2017		Total
	CCAG	Moore Stephens	
Available working days	260	96	356
LESS:			
Holidays (including statutory holidays)	36		
CPD	12		
Provision for illness	120		
	-168		-168
Management & Administration			
Audit needs assessment, strategic and annual audit planning	0	4	
Periodic reporting to Audit Committee	2	2	
Annual reporting	1	1	
Preparation for and attendance at Audit Committee	4	4	
Contract and performance review meetings (x 2)		1	
Contingency	17	4	
	-24	-16	-40
Available audit and consultancy days	68	80	148