

Report of the Chief Auditor

Audit Committee – 9 April 2015

INTERNAL AUDIT ANNUAL PLAN 2015/16

Purpose:	This report presents the Internal Audit Annual Plan 2015/16 to the Audit Committee for approval.
Policy Framework:	None.
Reason for Decision:	To allow the Audit Committee to discuss and approve the Internal Audit Annual Plan 2015/16.
Consultation:	Legal, Finance, Access to Services
Recommendation:	It is recommended that: the Committee approves the Internal Audit Annual Plan 2015/16.
Report Author:	Paul Beynon
Finance Officer:	Paul Beynon
Legal Officer:	Tracey Meredith
Access to Services Officer:	Sherill Hopkins

1. Introduction

- 1.1 A risk based Internal Audit Annual Plan is prepared each year which is used to guide the work of the Internal Audit Section and allow the Chief Auditor to deliver the annual opinion on control as well as providing assurance to the Audit Committee and Section 151 Officer.
- 1.2 The methodology used to prepare the Annual Plan was reported to the Committee at the meeting on 12th February 2015.
- 1.3 This report presents the Internal Audit Annual Plan 2015/16 to Committee for approval.

2. Internal Audit Annual Plan 2015/16

- 2.1 For 2015/16, the Internal Audit Section is made up of 10.6 staff excluding the Chief Auditor which is unchanged from 2014/15. However, a vacant part time auditor post (0.6 FTE) has been held vacant for the first 6 months of the year pending the outcome of the

review of the provision of Corporate Services in response to the significant budget cuts faced by the Council.

- 2.2 A summary of the Internal Audit Plan 2015/16 is shown in Appendix 1 and a list of audits planned for the year is shown in Appendix 2 along with the number of days planned for each audit.
- 2.3 The Internal Audit Plan methodology report which was presented to the February meeting of the Committee identified that problems have been experienced completing the jobs in the Audit Plan due to vacancies, secondments and special investigations for a number of years.
- 2.4 As a result, a number of changes were identified to overcome this problem and ensure that the Audit Plan 2015/16 is realistic. The changes made are shown below
 - A Corporate Fraud Team has been established from 01/06/15
 - The period of time between visits for low risk audits has been increased from 4 to 5 years.
 - The period of time between visits for medium/low risk audits has been increased from 3 to 4 years to 4 to 5 years.
 - A Self Assessment approach will be developed for audits of primary schools, branch libraries, school kitchens and district housing offices.
- 2.5 The Internal Audit Plan 2015/16 accommodates the audits which have been deferred from 2014/15 due to vacancies and secondments of around 500 days and also allows for an additional 40 days being added to the contingency provision as well as covering the vacant post (78 days) and a temporary voluntary reduction in hours for a member of staff (18 days).
- 2.6 To accommodate the audits deferred from 2014/15 and to match the Audit Needs Assessment to the available resources, audits totalling around 450 days which were due in 2015/16 have been deferred to 2016/17.
- 2.7 This is less than previous years and the full effect of the changes identified above will not be felt in 2015/16 as there will be a time investment in developing self assessment questionnaires and the Corporate Fraud Team will not be in place until 01/06/15.
- 2.8 The Corporate Fraud Team has been established in response to the current Housing Benefit Investigation Team transferring to the DWP under the Single Fraud Investigation Service. The Corporate Fraud Team will be responsible for investigation all instances of fraud, corruption and bribery across the Council including Council Tax Reduction Scheme fraud which is not transferring to DWP.

- 2.9 The Corporate Fraud Team will be part of the Internal Audit Section and will have its own plan which will be a mix of preventative and investigative work. Regular reports will be made to the Audit Committee on the work of the Corporate Fraud Team.
- 2.10 As in previous years, progress made by the Internal Audit Section in achieving the Audit Plan will be reported to the Audit Committee on a quarterly basis.

3. Equality and Engagement Implications

- 3.1 There are no equality and engagement implications associated with this report.

4. Financial Implications

- 4.1 There are no financial implications associated with this report.

5. Legal Implications

- 5.1 There are no legal implications associated with this report.

Background Papers: Internal Audit Plan 2015/16.

Appendices: Appendix 1 Internal Audit Annual Plan 2015/16 – Summary.
Appendix 2 Internal Audit Annual Plan 2015/16.