

# **Internal Audit Service**

## **Strategic Audit Plan 2015/16 Interim Monitoring Statement**

**November 2015**



# 1 Introduction

- 1.1 The Strategic Audit Plan for 2015/16 was presented to the Audit Committee at its meeting in March 2015. The Strategic Audit Plan helps to ensure that Internal Audit is able to meet its aims as an independent appraisal function for the Authority, and sets out Internal Audit's objectives in the medium term.
- 1.2 The Strategic Audit Plan sets out the key objectives for the audit reviews identified to take place during 2015/16. The plan outlines the assignments to be carried out and the broad resources and skills required to cover the Plan.
- 1.3 This document provides an interim statement to the Audit Committee on progress, as at the end of September 2015, against the Annual Audit Plan for 2015/16. The Internal Audit Service has achieved 100% of planned productive days during the first two quarters of 2015/16, though the areas audited have sometimes needed to change to respond to emerging risk areas (explained in section 3).

# 2 Approach to Monitoring the Annual Audit Plan

- 2.1 To properly plan and organise the workload of the Internal Audit service, all audits from the agreed Strategic Audit Plan have been allocated to a suitably qualified member of the Internal Audit team.
- 2.2 Time spent in respect of each audit activity is recorded on an electronic time management system. This system allows outturn information to be extracted and the Strategic Audit Plan to be monitored.
- 2.3 The annual planning process has been developed to include a formal review of the plan every three months to allow the assessment and subsequent incorporation of any emerging risks facing the Authority. This development is known as '3 + 9', whereby the initial audit plan is prepared as a detailed audit plan for three months, with other areas deemed appropriate for coverage in year listed for the remaining nine months. The plan is reviewed on an ongoing basis during the year, and restated on a quarterly basis (in consultation with our clients) as required.

### **3 Interim Report: Annual Audit Plan 2015/16**

- 3.1 During the first two quarters of 2015/16, the Internal Audit team has achieved 100% of the expected productive audit days which were planned. However, some of this resource has had to be diverted to emerging risk areas brought to Internal Audit's attention (discussed below).
- 3.2 In this period, 23 audits were originally programmed to take place. By the end of September 2015, 17 (74%) of these audits were either complete or underway. This is lower than the pattern which Internal Audit has reported in previous years. This has been caused by a higher than normal volume of additional assurance work, requests for support from Northumbria Police and more time found to be needed for responding comprehensively to the Authority's statutory requirements in relation to the National Fraud Initiative.
- 3.3 The 6 originally planned audits that have not commenced have been reprogrammed to take place later in the year, replacing 5 audits scheduled for the second half of 2015/16 which will now be included as first call on audit resource in 2016/17. Reprogramming audits in this way is a normal part of the audit planning and monitoring process. This adjustment is a normal part of Internal Audit's planning and performance management processes, and ensures that finite audit resources are directed to areas of maximum benefit to the Authority.
- 3.4 The key objectives and indicative outturn (as at the end of September 2015) for the audit reviews identified to take place during the first half year of 2015/16 are shown in section 5 of this document. Each of the auditable areas has been categorised as complete, underway or rescheduled. For those areas where Internal Audit has an advisory and assurance role, this is also identified in the table and the status explained.
- 3.5 Internal Audit has a significant advisory role within the Authority. A contingency of time is set aside in the Plan to fulfil this role, which is subject to variation according to demand. To date in 2015/16, Internal Audit has been involved with:
- pro active anti-fraud work;
  - project assurance;
  - the follow up on implementation of audit recommendations;
  - general queries and requests for advice;
  - attendance at Boards and Working Groups (including Banking Services Contract, Electronic Document and Records Management System (EDRMS), Information Security Group, ICT Performance and Prioritisation Board, Public Services Network, Petty Cash Process Review, Cashless Projects, Technology and Information Systems Strategy Board, Troubled Families Stakeholder Group); and
  - responding to a higher than normal volume of potential irregularities & special investigations.

## 4 Continued Audit Coverage in Strategic Audit Plan 2015/16

- 4.1 The Authority is required to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.<sup>1</sup> In discharging this responsibility, the Internal Audit Service seeks to ensure that audits of all key financial systems are undertaken within the year and all high-priority audits, determined by a risk assessment, are undertaken within the context of the Strategic Audit Plan. This ensures the integrity of the Audit Plan.
- 4.2 The required standards are the Public Sector Internal Audit Standards (PSIAS) and related Local Government Application Note.<sup>2</sup> PSIAS 2060 requires that the Chief Internal Auditor should report periodically to senior management and the board on Internal Audit matters, including “performance relating to its plan”.
- 4.3 The Internal Audit Service needs to be responsive to emerging issues and the requirements of the organisation. Professional auditing guidance states that internal audit plans should be flexible to accommodate work not originally included in the plan which has arisen as a result of external and internal factors.
- 4.4 The Strategic Audit Plan allows flexibility in enabling work to be programmed later within the Plan, based on a revised risk assessment, if higher priority assignments arise in-year. The indicative outturn of those audits originally planned to be undertaken in the second half of 2015/16 is shown in Section 6.
- 4.5 Performance against the Strategic Audit Plan is continually monitored. The Strategic Audit Plan and performance against the Plan will be re-assessed and revised for presentation to the Audit Committee in March 2016.

IA/AHM/KM/SCL  
November 2015

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<sup>1</sup> Accounts & Audit Regulations 2015

<sup>2</sup> Local Government Application Note for the UK Public Sector Internal Audit Standards (PSIAS), Chartered Institute of Public Finance & Accountancy/Institute of Internal Auditors, April 2013

## 5 Annual Audit Plan 2015/16 - Audits Scheduled during Quarters 1 & 2 and Indicative Outturn as at the end of September 2015

### Advice & Programme Assurance

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
Advice, Contingencies & Assurance	<ul style="list-style-type: none"> <li>• <b>Advice &amp; Guidance</b></li> <li>• <b>Contingencies &amp; Work Requests</b></li> <li>• <b>Fraud &amp; Special Investigations</b></li> <li>• <b>Quality &amp; Development</b></li> <li>• <b>Project Assurance</b></li> </ul>	Responding to ad-hoc queries and requests for advice; responding to requests for one-off audit assignments, where it is considered that audit involvement is necessary; responding to allegations of fraud; project assurance and assuring appropriate consideration has been given to internal control & governance issues when new systems are introduced.	Advisory & assurance. Ongoing throughout year – on target.
Implementation & Evidence Checking	<ul style="list-style-type: none"> <li>• <b>Follow up on Recommendations</b></li> </ul>	Monitoring the implementation of Internal Audit recommendations, in consultation with the Service Areas which have received these recommendations.	Ongoing throughout year – on target.
Programme Assurance	<ul style="list-style-type: none"> <li>• <b>Change programme</b></li> </ul>	Internal Audit will provide assistance and advice to the Authority in respect of the new change programme, both in respect of overall governance arrangements and design principles, and in respect of specific projects and business models.	Ongoing throughout year – on target.

## Advice & Programme Assurance

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
Programme Assurance	<ul style="list-style-type: none"><li>• <b>New Systems / Methods of Service Delivery</b></li></ul>	<p>Internal Audit will provide assistance and advice to the Authority in respect of the new change programme, both in respect of overall governance arrangements and design principles, and in respect of specific projects and business models.</p> <p>In addition to any work on the change programme, Internal Audit will also provide assistance and assurance to the Authority on the implementation of a range of programmes. Programmes (projects) identified as likely to benefit from Internal Audit programme assurance include:</p> <ul style="list-style-type: none"><li>• Major Regeneration Projects (e.g. Swans site and Seafront Regeneration)</li><li>• Education Review</li><li>• Commercial / Trading Opportunities</li></ul>	Ongoing throughout year – on target.

Audit and Assurance – New Service Delivery Arrangements

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
New Service Delivery Arrangements	<ul style="list-style-type: none"> <li data-bbox="405 284 777 459">• <b>Partnership working and impact on the Council’s framework of governance and control</b></li>   <li data-bbox="405 799 745 1015">• <b>Strategic Partnerships – Business Services, Technical Services and Joint Venture company</b></li> </ul>	<p data-bbox="808 284 1805 421">To review whether the Authority’s major partnership arrangements (for example, with Cofely GDF Suez, Capita, Kier and Health partners) are working effectively and supporting achievement of North Tyneside Council’s stated aims. This audit will include an evaluation of:</p> <ul style="list-style-type: none"> <li data-bbox="857 432 1771 496">• Clarity regarding roles and responsibilities for service delivery between client and provider;</li> <li data-bbox="857 507 1809 571">• How performance is monitored and how it is managed, including financial performance;</li> <li data-bbox="857 582 1771 646">• How benefit realisation is working in practice and whether the Council’s desired outcomes are being achieved;</li> <li data-bbox="857 657 1805 762">• How the interfaces between different providers are operating and whether seamless service delivery is in place, regardless of provider.</li> </ul> <p data-bbox="808 799 1771 1015">To examine and evaluate the application of agreed governance practices established in respect of the Authority’s strategic partnerships, to ensure that these are sound, operating as intended, and providing the Authority with sufficient assurance that partnership objectives are being delivered and that the Authority’s interests are safeguarded.</p> <p data-bbox="808 1054 1715 1160">This audit will build on existing assurance arrangements already established within the Authority for the strategic and day to day management of these contracts.</p>	<p data-bbox="1848 284 2074 389">Rescheduled to Quarter 3 – on target.</p> <p data-bbox="1848 799 2018 936">Underway – estimated completion Quarter 4.</p>

## Audit and Assurance – Corporate & Cross Cutting

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
Corporate & Cross Cutting	<ul style="list-style-type: none"> <li data-bbox="405 284 777 389">• <b>Ethical Governance / Corporate Social Responsibility</b></li> <li data-bbox="405 443 651 475">• <b>Procurement</b></li> <li data-bbox="405 689 777 794">• <b>Electronic Document and Records Management System</b></li> <li data-bbox="405 874 777 1018">• <b>Investment Programme – Project Management &amp; Monitoring</b></li> <li data-bbox="405 1050 777 1120">• <b>Better Care Fund / Health integration</b></li> </ul>	<p data-bbox="808 284 1794 389">To review and evaluate the design, implementation and effectiveness of the organisation’s ethics-related objectives, programmes and activities, as required by the Public Sector Internal Audit Standards.</p> <p data-bbox="808 443 1794 657">To assess the effectiveness of the implementation of Cabinet’s decision regarding 30-day payment terms to be applied throughout the supply chain of North Tyneside Council; to assess procedures established to ensure consistency in the application of the Authority’s contracting rules; and to assess value for money in the procurement processes in place.</p> <p data-bbox="808 689 1794 759">To provide assurance to the organisation as part of plans to introduce an Electronic Document and Records Management System (EDRMS).</p> <p data-bbox="808 874 1794 1018">To assess how the organisation is project managing capital schemes, ensuring that these are delivered within agreed tolerances on timescale and budget, and the operation of the Investment Programme Board and Gateway process.</p> <p data-bbox="808 1050 1794 1264">To support the Authority in complying with the requirements of the Better Care Fund, including the monitoring of submitted plans and in discharging any accountable body responsibilities, and in planning for requirements which need to be in place from 2015/16 onwards, for example Section 75 pooled budget arrangements. To assess whether appropriate governance is in place.</p>	<p data-bbox="1848 284 2018 421">Underway – estimated completion Quarter 4.</p> <p data-bbox="1848 443 2063 549">Rescheduled to Quarter 3 – on target.</p> <p data-bbox="1848 689 2098 801">Ongoing throughout year – on target.</p> <p data-bbox="1848 874 2018 1018">Underway – estimated completion Quarter 4.</p> <p data-bbox="1848 1050 2018 1193">Underway – estimated completion Quarter 4.</p>



### Audit and Assurance – Corporate & Cross Cutting

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
Corporate & Cross Cutting	<ul style="list-style-type: none"> <li>• <b>Value for Money</b></li> <li>• <b>Grant claim / funding certification</b></li> </ul>	<p>To support the organisation by delivery of a number of sharp, focussed value for money studies.</p> <p>To undertake grant claim certification in respect of external funding regimes on behalf of the Council, to ensure that grant funding requirements have been met and grant claims are submitted in accordance with grant conditions, to maximise available grant income.</p>	<p>Rescheduled to Quarter 4 – on target.</p> <p>Complete.</p>

### Audit and Assurance – Service Area Specific

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
Children, Young People and Learning	<ul style="list-style-type: none"> <li>• <b>Safeguarding</b></li> </ul>	To review and evaluate the systems and processes in operation for safeguarding, to ascertain whether consistent standards are in place and sufficient internal control exists within these systems to discharge the Council's safeguarding responsibilities with specific reference to the Authority's role in assisting the prevention of Child Sexual Exploitation.	Underway – estimated completion Quarter 3.
Housing	<ul style="list-style-type: none"> <li>• <b>Right to Buy</b></li> </ul>	<p>To assess arrangements in place to manage the Authority's obligations under the Right to Buy scheme, in light of legislative changes governing the operation of this scheme. In particular, to review:</p> <ol style="list-style-type: none"> <li>a) how properties are valued, and if the Authority's interest are appropriately safeguarded; and</li> <li>b) the effectiveness of the financial modelling and forecasting performed by the Authority, to assess the impact of the changes to the scheme on ongoing housing provision and on financial plans.</li> </ol>	Underway – estimated completion Quarter 3.

## Audit and Assurance – ICT

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
ICT	<ul style="list-style-type: none"><li>• <b>BACS (Bankers' Automated Clearing Services) System Review</b></li></ul>	<p>To determine whether the systems and procedures in operation are functioning satisfactorily and are in accordance with legislation and council policy. In particular, to determine whether:</p> <ul style="list-style-type: none"><li>• The system complies with good practice and all legal, statutory and regulatory body requirements, and meets business need;</li><li>• All transactions are completely and accurately recorded and traceable;</li><li>• Access to information and facilities is controlled and restricted to authorised users according to their needs;</li><li>• The potential for fraud and error are minimised;</li><li>• The system is effectively administered and supported;</li><li>• All staff using the system have been correctly trained to the level that will allow them to properly fulfil their duties;</li><li>• The system is continually available during working hours;</li><li>• The system provides complete and accurate management information; and</li><li>• Upgrades to the system are properly resourced and managed to meet clearly stated and agreed business objectives.</li></ul>	Rescheduled to Quarter 3 – on target.

Audit and Assurance – ICT

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
ICT	<ul style="list-style-type: none"> <li data-bbox="405 280 734 389">• <b>ICT Business Continuity and Disaster Recovery</b></li> <li data-bbox="405 600 636 639">• <b>ICT Strategy</b></li> <li data-bbox="405 963 719 1035">• <b>ICT Service Desk (ITSM)</b></li> </ul>	<p data-bbox="804 280 1821 571">To determine whether the controls and procedures in place to protect the Authority’s computer assets and the systems in place for the storage and retrieval of data are adequate and operating effectively. To further determine whether, in the event of a disaster or significant event causing major disruption to the Authority’s data processing capabilities, business continuity management/disaster recovery plans are in place, which will minimise any disruption to the computer processing of business critical systems.</p> <p data-bbox="804 600 1821 935">To ascertain whether the controls and procedures in operation within ICT for the procurement of supplies and services including hardware, software and consultancy are functioning satisfactorily and are in accordance with legislation and Council policy. In particular, to determine whether:</p> <ul style="list-style-type: none"> <li data-bbox="815 788 1742 860">• expenditure effectively supports the achievement of objectives contained within the ICT Strategy; and</li> <li data-bbox="815 863 1821 935">• expenditure has been committed in accordance with the Authority’s Contract Standing Orders.</li> </ul> <p data-bbox="804 963 1821 1142">To determine whether the systems and procedures in operation for the IT Service Management (ITSM) system are functioning satisfactorily and are in accordance with legislation and the stated priorities within the Council Plan and to provide an opinion to Management on the effectiveness of the system of internal control in place.</p>	<p data-bbox="1843 280 2022 421">Underway – estimated completion Quarter 3.</p> <p data-bbox="1843 600 2074 708">Rescheduled to Quarter 4 – on target.</p> <p data-bbox="1843 963 2074 1072">Rescheduled to Quarter 3 – on target.</p>

## Audit and Assurance – ICT

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
ICT	<ul style="list-style-type: none"><li>• <b>New Systems (Project Assurance role)</b></li></ul>	Internal Audit will continue to provide a project assurance role during the development and implementation of new computerised systems.	Advisory & assurance. Ongoing throughout year – on target.

## Counter Fraud, and Internal Control & Probity

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
Counter Fraud	<ul style="list-style-type: none"><li>• <b>Pro-active anti-fraud work</b></li></ul>	To undertake pro-active anti-fraud and corruption work (including participation in the Audit Commission's National Fraud Initiative and performing internal data matching exercises); and to raise the awareness of counter fraud and corruption measures across the organisation.	Ongoing throughout year – on target.

## External Assurance & Assessment

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
Tyne Port Health Authority	<ul style="list-style-type: none"><li>• <b>Tyne Port Health Authority</b></li></ul>	On behalf of North Tyneside Council, as the Accountable Body for the administration of Tyne Port Health Authority, to undertake the internal audit requirements associated with the annual Small Bodies Return for this entity. This will involve acting independently and on the basis of an assessment of risk, performing a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2015. To determine an appropriate level of internal audit coverage in accordance with the body's needs, and on the basis of findings in the areas examined to summarise conclusions and report these in an appropriate form to the body.	Complete.

## 6 Audits Originally Scheduled for Quarters 3 & 4 and Revised Schedule

### Audit and Assurance – New Service Delivery Arrangements

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
New Service Delivery Arrangements	<ul style="list-style-type: none"> <li><b>Delivering Collaboratively</b></li> </ul>	To examine and evaluate the application of agreed governance practices established in respect of services delivered through alternative financing and management mechanisms (including a selection of Private Finance Initiative schemes, and operating agreements with partners).	Planned to commence in Quarter 4 – on target.

### Advice & Programme Assurance Function

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
Implementation & Evidence Checking	<ul style="list-style-type: none"> <li><b>Annual Report 2015/16</b></li> </ul>	An annual report will be drafted and presented to the Chief Finance Officer (Section 151 Officer), Senior Leadership Team and Audit Committee, outlining the audit work performed during the year and summarising key themes. This will be timed to support production of the Authority's Annual Governance Statement in May 2016.	Planned to commence in Quarter 4 – on target.

### Audit and Assurance – Corporate & Cross Cutting

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
Corporate & Cross Cutting	<ul style="list-style-type: none"> <li><b>Performance Management</b></li> </ul>	To assess the arrangements for corporate performance management, and to evaluate the extent to which these arrangements are driving improvement within the Council, for the ultimate benefit of residents and local businesses.	Planned to commence in Quarter 4 – on target.

### Audit and Assurance – Corporate & Cross Cutting

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
Corporate & Cross Cutting	<ul style="list-style-type: none"> <li>• <b>Information Governance</b></li> </ul>	Further to assurance work undertaken within 2013/14, to review action taken by the organisation to manage and govern its data. To provide assurance on whether the controls and procedures in place ensure compliance with all relevant legislation and guidance, and are operating effectively.	Planned to commence in Quarter 4 – on target.
	<ul style="list-style-type: none"> <li>• <b>Treasury Management</b></li> </ul>	To assess the effectiveness of the organisation’s treasury management arrangements; to provide an opinion on whether these arrangements are soundly based, whether treasury management policies and practices are up to date and fit for purpose, whether there is suitable access to expert advice, and whether arrangements are likely to strike the right balance between risk and reward.	Planned to commence in Quarter 3 – on target.

### Audit and Assurance – Service Area Specific

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
Schools	<ul style="list-style-type: none"> <li>• <b>Primary &amp; First Schools, Middle Schools and Secondary Schools</b></li> </ul>	To assess, on a thematic basis, the application of controls associated with the discharge of responsibilities relating to delegated school budgets, within a sample of schools. The areas to be prioritised for thematic review will be identified on a risk assessed basis, in conjunction with the Deputy Chief Executive, Chief Finance Officer and Head of Health, Education, Care and Safeguarding.	Planned to commence in Quarter 4 – on target.

## Audit and Assurance – ICT

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
ICT	<ul style="list-style-type: none"> <li data-bbox="398 284 779 320">• <b>Citrix Platform</b></li> <li data-bbox="398 384 779 491">• <b>Hardware and Software Management</b></li> <li data-bbox="398 592 779 628">• <b>Perimeter Security</b></li> <li data-bbox="398 799 779 874">• <b>Access Approval (e-forms)</b></li> <li data-bbox="398 975 779 1050">• <b>Network Management</b></li> </ul>	<p data-bbox="801 284 1823 352">To determine whether the upgrade of the Citrix platform effectively supports the Authority in achieving its business aims.</p> <p data-bbox="801 384 1823 560">To determine whether the controls and procedures in operation over the acquisition, management, reconciliation and disposal of the Authority’s computer hardware and software assets are appropriate and operating effectively, and to provide an opinion to Management on the effectiveness of the system of internal control in place.</p> <p data-bbox="801 592 1823 767">To determine whether the Authority’s systems of control provide adequate protection against the risks associated with virus / hacking attacks, are in accordance with legislation and the stated priorities within the Council Plan and to provide an opinion to Management on the effectiveness of the system of internal control in place.</p> <p data-bbox="801 799 1823 943">To determine whether the controls and procedures in place to authorise access to information held electronically provide the Authority with assurance that access to information is correctly segregated between the Authority and its business partners.</p> <p data-bbox="801 975 1823 1385">To determine whether ICT has:</p> <ul style="list-style-type: none"> <li data-bbox="855 1011 1823 1118">• Established organisational and operational policies and standards that address the selection, acquisition and installation of networks and related peripherals;</li> <li data-bbox="855 1126 1823 1233">• Established controls and procedures that will ensure network hardware and software contribute to the effective operation of the networks;</li> <li data-bbox="855 1241 1823 1305">• Incorporated adequate controls and procedures to ensure the resilience of the network; and</li> <li data-bbox="855 1313 1823 1385">• Developed and tested appropriate contingency arrangements, to ensure the continuous availability of network functionality.</li> </ul>	<p data-bbox="1841 284 2114 352">Rescheduled to 2016/17.</p> <p data-bbox="1841 384 2114 453">Rescheduled to 2016/17.</p> <p data-bbox="1841 592 2114 660">Rescheduled to 2016/17.</p> <p data-bbox="1841 799 2114 868">Rescheduled to 2016/17.</p> <p data-bbox="1841 975 2114 1082">Rescheduled to Quarter 4 – on target.</p>



## Audit and Assurance – ICT

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
ICT	<ul style="list-style-type: none"><li>• <b>Agile Working / Remote Access</b></li></ul>	To determine whether the controls and procedures in place effectively support agile working, provide secure methods of remote access to the corporate network.	Rescheduled to 2016/17.

## Counter Fraud, and Internal Control & Probity

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
Internal Control & Probity	<ul style="list-style-type: none"><li>• <b>Payroll</b></li></ul>	To evaluate the controls within the payroll system designed to prevent and / or detect irregularity or error, and to ensure that payments are made in accordance with council policy and legislation. Particular emphasis will be placed upon areas of greater risk, such as: <ul style="list-style-type: none"><li>• New starters,</li><li>• Basic pay and variations to pay, and</li><li>• Leavers.</li></ul>	Planned to commence in Quarter 4 – on target.
	<ul style="list-style-type: none"><li>• <b>Pre-Employment Checks</b></li></ul>	To determine whether sufficient checks are undertaken for individuals prior to the commencement of employment, in accordance with council policy and legislation. In particular, to determine whether: <ul style="list-style-type: none"><li>• Disclosure Barring Service (DBS) status checks or equivalent have been completed prior to the commencement of employment,</li><li>• The right to work in the United Kingdom has been correctly established, and the correct documentation retained by the Council prior to the commencement of employment.</li></ul>	Planned to commence in Quarter 3 – on target.

Counter Fraud, and Internal Control & Probity

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
Internal Control & Probity	<ul style="list-style-type: none"> <li data-bbox="405 284 777 352">• <b>Creditors and Procurement</b></li> <li data-bbox="405 647 777 716">• <b>Debt &amp; Non Cash Income Management</b></li> <li data-bbox="405 855 777 887">• <b>Non Credit Income</b></li> <li data-bbox="405 1026 777 1174">• <b>Benefits (Local Council Tax Support Scheme; Housing Benefits)</b></li> </ul>	<p data-bbox="808 284 1816 459">To determine whether there are adequate controls within the Council's creditor payment systems to prevent and / or detect irregularity or error and that payments are made in accordance with Financial Regulations and legislation. Particular emphasis will be placed on evaluating the controls over:</p> <ul style="list-style-type: none"> <li data-bbox="808 472 1816 541">• Ordering, including placing orders only where there is suitable budgetary provision, and only from contracted suppliers;</li> <li data-bbox="808 547 1816 579">• Receipt of goods and services; and</li> <li data-bbox="808 585 1816 617">• Payments (including BACS, CHAPS and purchase cards).</li> </ul> <p data-bbox="808 647 1816 823">To determine whether there are adequate controls within the system to ensure that all credit income due is invoiced for in accordance with legislation and Council policy. Particular emphasis will be placed upon amendments to accounts, write offs and the time taken to raise invoices.</p> <p data-bbox="808 855 1816 999">To determine whether there are adequate controls within the income collection procedures to prevent and / or detect irregularity or error and that transactions are processed in accordance with Financial Regulations.</p> <p data-bbox="808 1026 1816 1137">To determine whether the procedures in operation for the administration of the local council tax support scheme are operating satisfactorily in accordance with the arrangements agreed by Council.</p> <p data-bbox="808 1169 1816 1345">To determine whether the procedures in place for the administration and determination of housing benefits are operating satisfactorily, whilst still within the Council's responsibility; and whether arrangements in place to manage the migration of such benefits under Universal Credit arrangements bear sufficient control.</p>	<p data-bbox="1848 284 2107 427">Planned to commence in Quarter 4 – on target.</p> <p data-bbox="1848 647 2107 791">Planned to commence in Quarter 4 – on target.</p> <p data-bbox="1848 855 2107 999">Planned to commence in Quarter 4 – on target.</p> <p data-bbox="1848 1026 2107 1169">Planned to commence in Quarter 3 – on target.</p>

Counter Fraud, and Internal Control & Probity

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
Internal Control & Probity	<ul style="list-style-type: none"> <li data-bbox="405 284 777 320">• <b>Council Tax</b></li>   <li data-bbox="405 639 777 746">• <b>National Non Domestic Rates (NNDR)</b></li>   <li data-bbox="405 890 777 927">• <b>Rent Assessment</b></li> </ul>	<p data-bbox="801 284 1823 459">To determine whether the procedures in operation for administration of the council tax system are operating satisfactorily in accordance with legislation. Particular emphasis will be placed upon assessing compliance with the controls over billing, council tax banding amendments and recovery / write off.</p> <p data-bbox="801 507 1823 608">An assessment will be performed to enable compliance with the specific requirements of the Local Government Finance Act 1992 in setting of the annual budget and local council tax levels.</p> <p data-bbox="801 639 1823 858">To determine whether the procedures in operation for administration of the national non-domestic rates system are operating satisfactorily in accordance with legislation, with particular reference to recent changes relating to Business Rates Retention Scheme. Particular emphasis will be placed upon assessing compliance with the controls over billing, rateable value amendments and recovery.</p> <p data-bbox="801 890 1823 991">To determine whether housing rent charges are accurately updated to reflect annual changes in rent levels in accordance with the government formula.</p>	<p data-bbox="1845 284 2112 427">Planned to commence in Quarter 4 – on target.</p> <p data-bbox="1845 639 2112 783">Planned to commence in Quarter 3 – on target.</p> <p data-bbox="1845 890 2112 1034">Planned to commence in Quarter 4 – on target.</p>

## External Assurance & Assessment

Heading	Auditable Area	Description / Audit Objectives	Indicative outturn
Children, Young People and Learning	<ul style="list-style-type: none"> <li>• <b>Schools Financial Value Standard (SFVS)</b></li> </ul>	<p>The SFVS replaces the Financial Management Standard in Schools (FMSiS) and has been designed in conjunction with schools to assist them in managing their finances and to give assurance that they have secure financial management in place. Governing bodies have formal responsibility for the financial management of their schools, and so the standard is primarily aimed at governors; however the Council's Chief Finance Officer is responsible for ensuring that submissions made by schools are in line with the judgements on these schools which have already been reached by Internal Audit as a result of ongoing assurance work.</p> <p>On behalf of the Chief Finance Officer (Section 151 Officer), Internal Audit will co-ordinate, receive, review and constructively challenge Schools Financial Value Standard submissions, for all of the Council's grant-maintained schools.</p>	Advisory & assurance. Ongoing throughout year – on target.
Added Value – control environments and governance	<ul style="list-style-type: none"> <li>• <b>Assisted Reviews</b></li> </ul>	<p>Further to requests received from schools, to develop a menu of additional 'added value' assurance coverage, to support the schools' financial and wider governance framework, via a package of additional bespoke services tailored to specific requirements. This will allow a package of dedicated support devised specifically for targeted areas of assurance.</p> <p>In time, this may allow the development of "referenceable sites" which may allow a platform to consider the delivery of such services on a wider commercial basis.</p>	No requests received at this stage in the year.