

## Central Bedfordshire Council

Audit Committee

30 March 2015

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### 2015-16 Internal Audit Plan

#### Advising Officers:

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#### Purpose of this report:

The purpose of this report is to present the 2015/16 Audit Plan for review and approval.

#### RECOMMENDATION

The Committee is asked to:

1. Consider and approve the 2015-16 Internal Audit plan.

#### Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to be considered by Overview and Scrutiny, as it is a matter for the Audit Committee under the delegations of the Constitution.

#### Background

2. The Public Sector Internal Auditing Standards, effective from 1st April 2013, require the Head of Internal Audit to establish risk based plans to determine the priorities of internal audit activity, consistent with the organisation's goals. This should be supported by a documented risk assessment, giving consideration to the input of senior management.
3. The Audit Committee, at its meeting in April 2013, approved the Strategic Audit Plan covering the period 2013-2016.
4. 2015/16 represents the final year of the three year plan. The plan has been reconsidered and updated following discussion with senior officers.

## 2015/16 Internal Audit Plan

5. In preparing the audit plan, consideration has been given to the requirement for the Head of Internal Audit to deliver an annual internal audit opinion on the overall adequacy and effectiveness of the Councils framework of governance, risk management and control (as required by the Public Sector Internal Auditing Standards).
6. The updated plan has been informed through:
  - reference to the previous Audit Needs Assessment undertaken
  - consultation with senior management
  - Internal Audit's own analysis of risk areas
  - outcomes of previous audits
  - reference to the strategic and operational risk registers, and the outcome of the assurance mapping exercise on the risks documented within the Strategic Risk Register
7. In developing the audit plan, consideration has been given to ;
  - Providing assurance on the Council's fundamental systems
  - ICT assurance work
  - Grant claim sign off work
  - System reviews of key service activities
  - Follow up work, where appropriate
  - Consultancy and advice
  - Engagement in key transformation programmes and projects, as appropriate.
  - New Government initiatives
  - Local initiatives
  - The need to ensure that basic systems and controls are robust and being complied with at a time when the Council is refining a number of processes to improve service delivery and increase efficiencies.
8. It is important to recognise the need for flexibility in the approach to our audit work. The approach adopted recognises that organisational and business transformation changes are continuous within Central Bedfordshire and acknowledges that, as a result, the control environment is subject to change. A contingency has been included within the plan to ensure that Internal Audit can respond accordingly.
9. The approach to the delivery of the fundamental systems audits has been discussed with Ernst and Young, the Council's external auditors.
10. The main revisions to the 2015-16 Plan are indicated in grey in the attached Appendix, along with an explanatory comment, and the key changes for 2015/16 are summarised below:
  - Following discussions with the Chief Information Officer, two IT reviews have been removed and substituted with alternative IT reviews.

- The planned Emerging Health Agenda Information Governance review has been removed and relevant issues will be covered under Information Governance.
- The Impact of Welfare Reform review has been removed as ongoing monitoring mechanisms are in place.
- The Impact of the Community Right to Challenge review has been removed as there have been no challenges.
- The programme of Finance audits now includes a VAT audit, grants audit, and a review of processes to support the NNDR 1 and 3 returns.
- The programme of audits for Children's Services now includes Children's Centres, Troubled Families processes and Frameworkki.
- The programme of Social Care, Health and Housing audits now includes Care Act/Better Care Fund integration and supporting the delivery of new housing (e.g. Priory View/ Houghton Regis).
- A car parks audit has been added to the Community Services audit programme and the planned review of Flitwick Leisure Centre will now be broader to include a review of Leisure Centre outcomes.
- The programme of Regeneration and Business Support audits now includes a review of the European Social Fund arrangements and a review of the mechanisms for alignment of the CIL/S106 processes.
- Planned proactive anti fraud reviews now include a review of the financial assessment processes within Social Care Health and Housing and cash handling processes.

11. The Audit Committee, at its meeting on 22<sup>nd</sup> September 2014 considered a report outlining the proposal to establish a Corporate Fraud Team, which would work closely with Internal Audit to develop and deliver an annual Anti Fraud Work programme. Discussions have been held with the Fraud, Welfare and Partnership Manager and an outline work programme for the first year has been developed, and is included at Appendix B to this report. This will be further developed once the new Corporate Fraud Team is operational. The Internal Audit Plan includes the elements that are currently planned to be delivered by Internal Audit.

12. The plan has been discussed and agreed with the Corporate Management Team.

13. The Audit Plan is attached at Appendix A.

### **Available Resources**

14. It is estimated that there will be 1,260 productive audit days available for 2015/16.

### **Council Priorities**

15. The activities of Internal Audit are crucial to the governance arrangements of the organisation and as such are supporting all of the priorities of the Council.

## **Corporate Implications**

### **Legal Implications**

16. None directly from this report.

### **Financial Implications**

17. None directly from this report. However, sound systems assist in preventing loss of resources (by other wastage or fraud), thereby improving effectiveness and efficiency.

### **Equalities Implications**

18. None directly from this report.

## **Conclusion and next Steps**

19. Approval by the Audit Committee of the revisions to the Internal Audit Plan will ensure that Internal Audit can progress its work in line with an agreed approach.

20. The Audit Committee can then use the final plan to monitor the work of internal audit to ensure that appropriate assurance is provided on the Council's systems.

## **Appendices:**

Appendix A – Internal Audit Plan 2015-2016

Appendix B – Corporate Fraud Team Outline Work Programme

## **Background Papers:**

None