Title: Internal Audit Charter, Audit Strategy & Audit Plan 2016/17

Report of: Strategic Director, Finance & Investment

<table>
<thead>
<tr>
<th>Open</th>
<th>For Discussion &amp; Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wards Affected: None</td>
<td>Key Decision: No</td>
</tr>
</tbody>
</table>

Report Author: David Greenfield

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Accountable Strategic Director: Jonathan Bunt

Summary:
This report presents the Internal Audit Charter and Internal Audit Strategy. These documents, in accordance with best practice, clearly define the purpose, authority and responsibility of Internal Audit, set out how the internal audit function supports the council’s vision & priorities and how the service will be delivered and developed.

This report also details the proposed Internal Audit activity to be undertaken in line with the Audit Strategy in 2016/17.

Recommendation(s):
Members are requested to consider the Internal Audit Charter and Internal Audit Strategy.

Members are requested to consider and agree the Audit Plan for 2016/17.

Reason(s)
The Council’s vision and priorities are underpinned by the theme ‘a well-run organisation’ as set out in the corporate delivery plan. The work of internal audit supports this theme to ensure the Council meets both its legal responsibilities and the needs of the community.

1. Internal Audit Charter & Strategy
1.1 Compliance against the Public Sector Internal Audit Standards (PSIAS) is seen as fundamental to demonstrating the effectiveness of internal audit, in order to meet statutory requirements as set out in the Accounts & Audit (England) Regulations 2015. The PSIAS requires the purpose, authority and responsibility of the internal audit activity to be formally defined in an internal audit charter and a strategy, setting out how the internal audit function supports the organisational vision & priorities and how it will be delivered and developed, to be presented to the Audit Committee.
1.2 The Internal Audit Charter and Strategy were developed to meet the requirements of the PSIAS thus ensuring that the Internal Audit service continues to be provided in accordance with best practice and that the Authority maintains the statutory requirement of delivering an effective internal audit of its internal control systems.

1.3 The proposed Internal Audit Charter and Strategy are set out in Appendix 1.

2. Internal Audit Plan 2016/17

2.1 Objectives

The Internal Audit Plan for 2016/17 has been prepared in line with the Audit Strategy. The objectives of the audit plan are to:

- Meet statutory requirements as set out in Section 5 of the Accounts & Audit Regulations 2015 ("A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes") and Section 151 of the Local Government Act 1972 ("every local authority shall make arrangements for the proper administration of their financial affairs").
- Undertake audits of core financial systems upon which External Audit can place reliance (known as ‘Managed Audit’);
- Provide assurance about the internal control environment and governance arrangements to support the Annual Governance Statement including compliance checks;
- Provide assurance to managers about the adequacy of their risk management arrangements and the operation of key systems;
- Carry out a programme of audits of Council maintained schools to enable the Chief Finance Officer to sign the required Schools Financial Value Standard statement;
- Provide general advice and guidance to management in the proper construction of a sound framework of internal controls and to maximise the efficiency of their operations at a time of spending constraint.
- Have more timely involvement in projects under transformation programmes, such as Ambition 2020, to ensure key risks such as ensuring robust governance arrangements for new entities and continuing to meet statutory duties are fully mitigated.

Overall, delivery of the Audit Plan enables the Head of Audit to give an opinion on the system of internal control. The opinion is based on a relatively small audit programme, supported by other sources of assurance. As such, whilst adequate resources are in place to deliver the opinion, Members must note it does not represent assurance in respect of the whole internal control system of the Council.

2.2 How the plan was prepared

The Audit Plan seeks to focus on supporting delivery of the Council’s Priorities and Plans through providing assurance on, and championing, the underlying governance, risk management and internal control frameworks, focusing on key
issues through a risk-based approach. To this end, Key activities were undertaken to understand:

- Stakeholder requirements;
- Assurances available to address these requirements upon which reliance can be placed and duplication avoided;
- Key Risks from the risk registers;
- Key changes within the authority;
- What is coming more generally (horizon scanning issues); and
- What needs independent assurance from Internal Audit.

Accordingly, the key stakeholder/inputs were:

<table>
<thead>
<tr>
<th>Stakeholder/Input</th>
<th>Method of information collation</th>
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<tbody>
<tr>
<td>Internal Audit Needs Assessment</td>
<td>Issues of audit interest identified utilising information on Council activities, inherent risks, materiality and previous audit, fraud and other inspection outcomes to identify audit topics deemed ‘high priority’</td>
</tr>
<tr>
<td>Corporate Risk Registers</td>
<td>Corporate Risks and associated Action Plans</td>
</tr>
<tr>
<td>Strategic Directors</td>
<td>All Directors were invited to contribute their own views of risk and issues of concern</td>
</tr>
<tr>
<td>External Audit</td>
<td>Common understanding of risks faced by the Authority with the External Auditor, KPMG</td>
</tr>
<tr>
<td>London Audit &amp; Anti-Fraud Partnership</td>
<td>Horizon scanning to identify key topical issues of audit interest faced by Local Government supported by evidence of outcomes from work across a number of local authorities</td>
</tr>
<tr>
<td>Internet Resources</td>
<td>For example, CIPFA’s Technical Information Service Online &amp; Better Governance Forum – national issues/areas of interest</td>
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</table>

The plan includes a contingency for any ad hoc projects that will arise, support to this Committee, contract management of the audit contractor together with an allowance for time to complete audit work from 2015/16 – as with any year, there will be audits that cross over the financial years.

In addition to the Audit Plan, the Counter Fraud Team undertakes work in relation to responding to investigations, promoting a counter fraud culture and detecting and preventing fraud. Fraud profiling is used in part to plan the proactive work of the Counter Fraud Team, together with judgements on likely areas of fraud and irregularity from knowledge and experience of staff, and good practice elsewhere (for example The European Institute for Combatting Corruption & Fraud [TEICAFF] ‘Protecting the London Public Purse 2015’). Having said this, the Audit & Counter Fraud Group is not primarily responsible for the prevention and detection of fraud – this is a management responsibility, and the counter fraud strategy reinforces the message that protecting the Council against fraud is everyone’s business.
2.3. Audit Plan 2016/17
An Audit Plan has been produced which matches auditable areas in terms of risk and priority to the resources available. Work will be delivered through a combination of in-house resources, supported by externally provided audit services through the framework agreement in place with LB Croydon.

Note, the number of plan days has been increased to 2014/15 levels (pre-October 2014 agreed Cabinet savings) through a rebalancing of resources within the wider Audit & Counter Fraud Group in line with wider best practice relating to focus upon prevention and proactive activities.

The draft plan is presented as Appendix 2. The plan is grouped by audit coverage. For each discrete audit area, a brief description of the scope for the work is provided, along with the type of audit, and a prioritisation level arising from the internal audit needs analysis. Timing of and detailed scopes for each audit will be agreed with the relevant Senior Manager prior to commencement of the fieldwork.

3. Future Reporting
3.1. Progress on Internal Audit’s performance and delivery of work against the Audit Plan (including key performance indicators), management performance on the implementation of audit recommendations and updates on significant issues arising will be reported as part of our Composite Quarterly Report although Members may request updates, or more detailed information, at any time.

4. Financial Implications

*Implications completed by: Jonathan Bunt Strategic Director Finance & Investment*

4.1. Internal audit activity provides assurance in relation to internal controls, overall governance and risk management arrangements on the proper administration of the Council’s financial affairs. The Audit Plan for 2016/17 is expected to be delivered within the 2016/17 budget allocation.

5. Legal Implications

*Implications completed by: Dr. Paul Feild Senior Governance Lawyer*

5.1. The key legislation framework is set out in the Local Audit and Accountability Act 2014 and regulations made by the Secretary of State more particularly the Accounts and Audit Regulations 2015. These Regulations require the production of an Annual Governance Statement. The Head of Audit Opinion, which derives from the annual assurance work undertaken, is a key component on the Annual Governance Statement which is a statutory requirement to accompany the Annual Accounts. The statutory framework is set out in the body of the report.
INTERNAL AUDIT CHARTER

March 2015

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Introduction
The Internal Audit Charter sets out the nature, role, responsibility, status and authority of Internal Audit within the Authority and to outline the scope of internal audit work.

The Charter is reviewed, updated as required, and reported to the Public Accounts & Audit Select Committee (PAASC) for consideration annually.

Purpose & Definitions
Internal auditing is defined as:

“An independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

For clarity, for the purposes of aligning this Charter with the Public Sector Internal Audit Standards (PSIAS), 'Senior Management' is defined as the Corporate Assurance Group and the ‘Board’ as PAASC in its role as Audit Committee.

Authority of Internal Audit
In accordance with the Financial Rules which form part of the Council’s constitution, the Head of Audit and all audit staff have authority to:-

• enter at all reasonable times into Council operational premises or onto Council land (including that of council suppliers and contractors where permitted by the contract agreement),
• have access to all electronic and manually held records, documents and correspondence relating to any financial or other transactions of the Council,
• require such explanations as are necessary concerning any matter under examination, and
• require any employee of the Council to produce cash, stores or any other Council property under their control.

Internal Audit will ensure confidentiality and safekeeping of all records and information accessed in the course of its work in accordance with Data Protection and Information Governance best practice.

Responsibility/Purpose of Internal Audit
The main responsibility of Internal Audit is to support the Strategic Director Finance & Investment in discharge of their “Proper Officer” duties as Section 151 officer, primarily in maintaining an adequate and effective internal audit of its accounting records and systems of internal control in accordance with the Accounts & Audit Regulations 2015. Internal Audit provides a high quality, independent service to the Council, which provides annual assurance in relation to internal controls and overall governance and risk management arrangements. In addition to its primary assurance role, Internal Audit will also:-
Provision of Internal Audit Opinion

Internal Audit provides individual assurances and an annual overall opinion of the internal control environment based on the results of audit work conducted. This annual opinion is reported to PAASC and forms an important part of the formation of the Annual Governance Statement.

Scope of Internal Audit

The scope of Internal Audit’s remit includes the authority’s entire control environment for achieving its objectives, including risk management, internal control and governance.

The scope of audit work also extends to services provided through partnership arrangements via oversight of client monitoring arrangements. The Head of Audit will determine how best to derive the required assurance – either through internal audit staff or through assurances provided by others. Where necessary Management agree appropriate access rights in order for assurance to be obtained.

Position of Internal Audit within the organisation

In terms of the PSIAS, the status of Internal Audit enables it to function effectively, with recognition of the independence of Internal Audit fundamental to its effectiveness. To this end audit is independent from the activities that it audits. This enables Internal Audit to form impartial and effective judgements in audit recommendations and opinions on the control environment. Internal Auditors have no operational responsibilities and thus are not required to manage or deliver non-audit activities.

In terms of accountability and independence, the Head of Audit reports to PAASC. In this context, reporting means PAASC will:-

- Consider the audit charter and strategy.
- Approve the Internal Audit annual audit plan.
- Receive reports from the Head of Audit on the result of Internal Audit activity or other matters the Head of Audit determines necessary.
- Monitor the performance of the audit section in delivery of the audit plan
- Monitor the implementation of recommendations by management.
Accordingly, Internal Audit has sufficient status to facilitate the effective discussion of audit strategies, plans, results and improvement plans with senior management of the organisation.

**Head of Audit’s functional reporting relationships**

The Head of Internal Audit reports to the Strategic Director Finance & Investment. The Head of Audit has freedom of reporting access without fear or favour to all relevant Members and Officers. This includes, but is not limited to, the Director of Law & Governance (as the Councils appointed Monitoring Officer), the Chief Executive, the Chair and Members of PAASC, Members of the Cabinet and External Audit.

The normal line of reporting for planned audit reports is to the appropriate Senior Manager. PAASC receives summaries of limited assurance reports and progress on agreed actions, although the Committee can request to see specific full reports.

**Arrangements for appropriate resourcing of Internal Audit**

The Head of Audit is responsible for ensuring that Internal Audit Service resources are sufficient to meet its responsibilities and achieve its objectives.

If the Head of Audit considers that the level of audit resources or the charter in any way limit the scope of Internal Audit, or prejudice the ability of Internal Audit to deliver a service consistent with its statutory and related requirements, they will advise the Strategic Director Finance & Investment and PAASC accordingly. Nonetheless, the Internal Audit Service has finite resources and its workforce is therefore to be deployed to meet an Annual Audit Plan that pays regard to the council’s risk appetite, and levels of assurance required by the Council.

**The role of Internal Audit in fraud & corruption**

Managing the risk of fraud and corruption is the responsibility of Management. Management is also responsible for developing, implementing and maintaining systems of internal control to guard against fraud or irregularity and ensure probity in systems and operations. Internal Audit will assist management by reviewing the controls and procedures in place. Audit procedures alone cannot guarantee that fraud and corruption will be detected, nor does Internal Audit have the responsibility for prevention and detection of fraud. However, individual Auditors will be alert in their work to risks and exposures that could allow a fraud, irregularity or corrupt practice to take place.

Financial Rules lay out the responsibilities of Officers in relation to any suspicion of fraud or irregularity. The role of Internal Audit is to fully investigate any suspicion of fraud, irregularity or corrupt practice, report to management and those charged with governance and to liaise, where appropriate, with the Police Authorities.
The role of Internal Audit in consulting services and avoiding conflicts of interest

Internal Audit may be asked by clients to conduct consultancy work. Acceptance of the assignment will be dependent on available resources, the nature of the assignment and any potential impact on assurances.

The role of Internal Audit in a consultancy assignment is to provide advice, facilitation and support to management who retain the responsibility for the ultimate decisions taken within the area under review.

Any subsequent assurance work in areas where consultancy support has been provided will be scrutinised by the Audit Management Team to avoid potential conflicts of interest.
INTERNAL AUDIT STRATEGY

March 2016

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Quality Assurance................................................................................................................3
**Internal Audit Objectives**
The main objective of Internal Audit is to support the Strategic Director Finance & Investment in the discharge of their responsibilities under S151 of the Local Government Act 1972 relating to the proper administration of the Council’s financial affairs and meet the Accounts & Audit Regulations 2015 requirements to provide an independent, objective assurance activity seeking to add value and improve operations and to help the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Where appropriate, and without jeopardising the main objective, audit skill and knowledge will be utilised on consultancy-type work, planned to primarily meet management rather than purely assurance need, to strengthen internal control, risk management and governance areas through analysis and evaluation of situations and development of potential solutions to problems.

The Council’s vision and priorities are underpinned by the theme ‘a well-run organisation’ as set out in the corporate delivery plan. The work of Internal Audit supports this theme to ensure the Council meets both its legal responsibilities and the needs of the community.

**How the Head of Internal Audit will form and evidence their opinion on the control environment to support the Annual Governance Statement**
The work of Internal Audit will be structured within an approved Annual Audit Plan. The annual plan will be compiled prior to commencement of each financial year, and reviewed periodically to reflect any changing priorities.

A methodology will be adopted and detailed as part of the Annual Plan Report which will utilise risk-based and intelligence led techniques, incorporating key stakeholders views, to develop a plan which focuses on the key issues to enable reasonable but not absolute assurance of adequacy and effectiveness of the control environment.

A number of factors will be taken into account when formulating the Annual Audit Plan, including:
- The level of available resources;
- Inclusion of key financial system audits to support the External Audit of Accounts;
- The reliance that can be placed on the Council’s own risk management and governance systems;
- The need to support management beyond pure assurance activity;
- The need to include provision for non-assurance activity e.g.s Grant Certification, follow up of implementation of recommendations.
- The reliance that can be placed upon other assurance activities;
- Coverage of new/significant local and national issues and risks;
- Review of new developments, processes and re-engineering of services arising from the Ambition 2020 and other transformational programmes
- Inclusion of a programme of council maintained school audits.

**Resources & Skills**
A mix of in-house and externally provided resources are in place to ensure appropriate local knowledge is retained and solid ongoing working relationships with the rest of the Council maintained, supported by the ability to commission specialist resource where required. In-house skills are refreshed, in line with best practice through such bodies as CIPFA’s Better Governance Forum and the London Audit Group, with appropriate training as identified through the Council’s appraisal process and Continuing Professional Development of qualified staff.

The Head of Audit will constantly review the method of provision of assurance to ensure the most effective systems are employed. This will include continuous monitoring, computer assisted audit techniques (CAATs), control and risk self assessment (CRSA) tools and seeking to obtain and rely upon assurances from other bodies that have carried out reviews of the Council’s operations and from third party organisations that produce audit or inspection reports.

**Reporting**
Reporting on audit findings from internal audit work and the recommendations arising will normally be in writing, to the appropriate Senior Manager.

A report will be issued for each discrete audit undertaken, and will give an overall assurance opinion – Full, Substantial, Limited or No Assurance. Recommendations within reports will be ranked in order of priority (High, Medium, Low) depending on the level of risk to achieving objectives identified.

Summary reports will be provided to Members of the Public Accounts & Audit Select Committee on a quarterly basis detailing, for example, key themes, emerging issues, report summaries and performance of internal audit in delivery of its service and management’s performance in implementing recommendations.

Periodic updates may also be provided to Strategic Directors and the Assurance Group.

**Follow Up of Recommendations**
Internal Audit monitors and evaluates the progress made by managers in implementing all internal audit recommendations. Management provide evidence to the auditor demonstrating that the recommendations made have been
implemented and a risk based approach, focusing on high risk recommendations, is taken to corroborate the information provided.

Where reasonable progress is not achieved in the implementation of recommendations, the responsible manager will prepare and/or present a report to PAASC setting out the issues and demonstrating how residual risks are to be managed.

**Liaison**
Internal Audit will meet periodically with the external auditor to consult on audit plans, discuss matters of mutual interest, discuss common understanding of audit techniques, methods and terminology, and to seek opportunities for cooperation in the conduct of audit work.

Whenever possible, agreement to joint working or to placing professional reliance on work carried out by the other party is sought.

**Quality Assurance**
Quality will be assured by adherence to professional auditing standards set out in the Section’s Internal Audit Manual, based on the Public Sector Internal Audit Standards and through supervision by senior audit staff. Appropriate Performance Indicators will be maintained and periodically reported to Members of the Public Accounts & Audit Select Committee.

The Council’s external auditors maintain an overview of the effectiveness of Internal Audit.

The Internal Audit function is bound by the following standards:
- Institute of Internal Auditor’s International Code of Ethics;
- The relevant Codes of Ethics for the professional bodies that members of the Internal audit service are members of (i.e the Chartered Institute of Internal Auditors and the six accountancy professions that constitute the CCAB);
- Seven Principles of Public Life (Nolan Principles);
- UK Public Sector Internal Audit Standards (PSIAS);
- All Council Policies and Procedures;
- All relevant legislation.

CIPFA have produced a statement on the role of the Head of Internal Audit, setting out 5 key principles for delivering an effective internal audit function. Each of these 5 principles is underpinned by expected governance arrangements, core Head of Internal Audit responsibilities and personal and professional standards expected of the postholder.
In accordance with the Accounts & Audit Regulations 2015, an annual review of internal audit against the PSIAS will be undertaken. This will be conducted externally at least once every five years in line with PSIAS requirements. Results of reviews will be reported to PAASC.
INTERNAL AUDIT PLAN

2016/17

March 2016
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SECTION

INTRODUCTION 1
BACKGROUND 1
AUDIT PLAN 2016/17 2
INTRODUCTION
The purpose of this document is to provide the 2016/17 Internal Audit Plan based upon an assessment of the organisation’s risk based audit needs and produced in accordance with the Audit Strategy.

BACKGROUND
The Audit Plan focuses on supporting delivery of the Council’s Priorities and Plans through providing assurance on, and championing, the underlying governance, risk management and internal control frameworks. This assurance is reported in the form of the Head of Audit Annual Opinion. In arriving at the opinion, the Head of Audit also places reliance on other assurance activities and the governance framework & risk management processes in place.
<table>
<thead>
<tr>
<th>Area</th>
<th>Scope</th>
<th>Days</th>
<th>Audit Type (Note 1)</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit</td>
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</tr>
<tr>
<td>Core Financial Systems</td>
<td>Review of systems fundamental to the compilation of the Final Accounts to support the External Audit process</td>
<td>80</td>
<td>Systems</td>
<td>High</td>
</tr>
<tr>
<td>Key Financial Systems</td>
<td>Review of systems fundamental to the compilation of the Final Accounts to support the External Audit process</td>
<td>80</td>
<td>Systems</td>
<td>High</td>
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<tr>
<td>Corporate Reviews</td>
<td></td>
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<tr>
<td>IT Strategy etc</td>
<td>Review of IT Strategy to ensure organisation has planned approach to replacement of IT applications and hardware</td>
<td>20</td>
<td>Risk</td>
<td>High</td>
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<tr>
<td>CIPFA Corporate Governance Code</td>
<td>Review of the Council’s governance arrangements against revised best practice to support evidence for the Annual Governance Statement</td>
<td>15</td>
<td>Risk</td>
<td>High</td>
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<tr>
<td>Transparency Code</td>
<td>Ensure the Council complies with the requirements of the Transparency Code 2015 designed to increase democratic accountability</td>
<td>15</td>
<td>Compliance</td>
<td>High</td>
</tr>
<tr>
<td>Prevent Duty</td>
<td>Ensure the Council meets its duties under Section 26 of the Counter-Terrorism and Security Act 2015 to have “due regard to the need to prevent people from being drawn into terrorism”.</td>
<td>5</td>
<td>Compliance</td>
<td>High</td>
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<tr>
<td>Service Based Reviews</td>
<td></td>
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<tr>
<td>Investment Governance</td>
<td>Review of governance arrangements to protect the Council’s interests while maximising its return on investment</td>
<td>20</td>
<td>Risk</td>
<td>High</td>
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<tr>
<td>Troubled Families Phase 2</td>
<td>Review of the arrangements for the collation of information to support application for funding based upon results under the Troubled Families Programme</td>
<td>20</td>
<td>Risk</td>
<td>Medium</td>
</tr>
<tr>
<td>Elevate Gainshare</td>
<td>Review of the arrangements in place for payments arising from procurement efficiencies obtained</td>
<td>20</td>
<td>Risk</td>
<td>High</td>
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<tr>
<td>Parking</td>
<td>Review of revised processes arising from new IT implementation</td>
<td>15</td>
<td>Risk</td>
<td>High</td>
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<tr>
<td>Barking Market</td>
<td>Review of income collection processes, to include</td>
<td>10</td>
<td>Systems</td>
<td>Medium</td>
</tr>
<tr>
<td>Area</td>
<td>Scope</td>
<td>Days</td>
<td>Audit Type (Note 1)</td>
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<tr>
<td>cashless collections</td>
<td>Review of procurement and other systems in place for the in-house service</td>
<td>15</td>
<td>Risk</td>
<td>Medium</td>
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<tr>
<td>Vehicle Workshop</td>
<td>Review of the system of collecting schools meals income</td>
<td>15</td>
<td>Risk</td>
<td>High</td>
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<tr>
<td>Parent Pay</td>
<td>Review of new arrangements to offer housing at other than council rent levels</td>
<td>15</td>
<td>Risk</td>
<td>High</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>Review of mechanisms to obtain accommodation for short term use</td>
<td>10</td>
<td>Risk</td>
<td>High</td>
</tr>
<tr>
<td>Temporary Accommodation - Supply</td>
<td>Review of the systems to ensure council properties are fit to be re-let in a timely fashion</td>
<td>20</td>
<td>Risk</td>
<td>High</td>
</tr>
<tr>
<td>NRPF - Accommodation</td>
<td>Review of the programme to bring council properties to at least a minimum standard of condition</td>
<td>30</td>
<td>Risk</td>
<td>High</td>
</tr>
<tr>
<td>Voids</td>
<td>Review of contract procedures under recently agreed Framework Agreements</td>
<td>20</td>
<td>Risk</td>
<td>High</td>
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<tr>
<td>Decent Homes</td>
<td>Review of the bonus scheme for repairs and maintenance operatives</td>
<td>15</td>
<td>Risk</td>
<td>High</td>
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<tr>
<td>Framework Agreements - Refurbishment/New Build</td>
<td>Review of arrangements for digital by design processes</td>
<td>20</td>
<td>Risk</td>
<td>High</td>
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<tr>
<td>R &amp; M Pay &amp; Productivity Scheme</td>
<td>Review of the processes in place to maintain administrative buildings</td>
<td>15</td>
<td>Risk</td>
<td>Medium</td>
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<tr>
<td>School Leisure Centres</td>
<td>Review of income generating initiatives within maintained schools</td>
<td>15</td>
<td>Risk</td>
<td>Medium</td>
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<tr>
<td>IT HelpDesk problems Mgmt</td>
<td>Review of the processes to respond to requests from users relating to change requests or problems with IT</td>
<td>15</td>
<td>Risk</td>
<td>High</td>
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<tr>
<td>Compliance Reviews</td>
<td>• Purchase Cards</td>
<td></td>
<td>Compliance</td>
<td>Medium</td>
</tr>
<tr>
<td></td>
<td>• Conferences, Visits &amp; Hospitality</td>
<td></td>
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<td></td>
<td>• Agency Staff</td>
<td></td>
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<td></td>
<td>• Mobile Phones</td>
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<td>• Annual Leave</td>
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<tr>
<td>Ongoing Audit Involvement</td>
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<tr>
<td>Area</td>
<td>Scope</td>
<td>Days</td>
<td>Audit Type (Note 1)</td>
<td>Priority</td>
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<tr>
<td>Ongoing Involvement</td>
<td>Ongoing oversight of new projects &amp; initiatives/change programmes including Ambition 2020</td>
<td>60</td>
<td>Advice</td>
<td>High</td>
</tr>
<tr>
<td>Schools/Establishment Visits</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schools</td>
<td>System Reviews – evaluating whether provisions of the Schools Financial Value Standard are being met.</td>
<td>90</td>
<td>Systems</td>
<td>High</td>
</tr>
<tr>
<td>Other Work</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior Year Report Completion</td>
<td>Completion of 2015/16 Audit Programme beyond 31/03/16</td>
<td>20</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Annual Governance Statement</td>
<td>Co-ordination of process of compilation of Annual Governance Statement</td>
<td>5</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Grant Claims</td>
<td>Sign off of grant claims where Internal Audit scrutiny is required</td>
<td>5</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Support and Advice</td>
<td>Committee Support and responding to ad hoc requests</td>
<td>10</td>
<td>Advice</td>
<td>N/A</td>
</tr>
<tr>
<td>Management Time, Follow Ups &amp; Contingency</td>
<td>Management time of audit contractor. Contingency for ad hoc audit reviews. Follow up work to ensure implementation of recommendations</td>
<td>100</td>
<td>Follow Up</td>
<td>N/A</td>
</tr>
<tr>
<td>TOTAL AUDIT DAYS</td>
<td></td>
<td>800</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 1 - Key to Audit Type:

- **Risk**: A full audit which focuses on key risks in relation to system objectives. Audit work will be structured to direct audit resource in proportion to risk exposures.
- **Systems**: A “full” audit in which every aspect and stage of the audited subject is fully considered. It includes review of both the design and operation of controls. Undertaken from a systems perspective with a ‘cradle to grave approach’
- **Compliance**: Focus on material or key controls were there is pre-existing confidence that controls are well designed, but compliance may be a material Issue. This work normally takes the form of checking transactions and management actions to confirm accuracy and appropriateness and does not consider controls or risks in the wider sense.
- **Follow Up**: Work undertaken to assess the extent to which management action plans have been implemented arising from previous audit or counter fraud work. Results are reported quarterly to PAASC
- **Advice**: Ongoing involvement in areas such as developing new systems, identifying potential control weaknesses when corrective
action can most effectively be taken. No formal report will be issued