

Internal Audit Plan: 2017/18

Audit Reviews									
Ref	Strategic Risk/Risk Based/Core System (S/R/C or N/A)	Auditable Unit	Priority (H/M)	Total Number of Days	Q1	Q2	Q3	Q4	Comments
1	S	Tyne Esk Leader Grant Fund	M	25		✓			Annual requirement to review the controls in place to deliver the Tyne Esk Leader Grant Fund and to undertake compliance related work as defined by the Service Level Agreement.
2	S	Construction Industry Scheme	M	10	✓				Annual requirement to undertake a review in this area to test that the scheme rules are being complied with as required by HM Revenues and Customs.
3	S and R	Children and Young People's Act – Named Person	H	30				✓	The Children and Young People's Act requires all children to have a named person. The audit will review the controls in place which allow the Council to implement this legislation. Postponed from 2016/17 as implementation delayed.
4	S	Climate Change Reporting	M	25			✓		This is a strategic risk for the Council. The audit will review the reporting arrangements to the Scottish Government.

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5	S	Highways Network Assets	M	30			✓		Requirement to review compliance with the new CIPFA Code of Practice on the Highways Network Asset.
6	S	Follow up of the 2016/17 Audit of Financial Strategy and Delivering Excellence	H	25				✓	Follow up review of the 2016/17 Audit of Financial Strategy and Delivering Excellence to determine progress with Internal Audit recommendations.
7	S and R	Pupil Equity Funding	H	40			✓		Additional ring fenced funding of £2.27M provided to help close poverty related attainment gap in schools. Review of controls over this funding.
8	S and R	Social Care Budget Planning Project	H	40		✓			To provide assurance over the Social Care Budget Planning Project currently underway.
9	R	Waste	H	40		✓			Review of controls over collection and disposal of waste. Residual waste currently being land-filled without any secondary treatment - residual waste contract currently out to tender.
10	R and C	Bank and Cash	M	40			✓		To review the controls over the collection, banking and accounting for income including online payments and compliance with PCI requirements. Postponed from 2016/17 due to the implementation of a new till / management reporting system in Leisure Services.

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11	R	Complaints	M	30	✓				Performance reports highlight that performance indicators are off target for all Services. To include a review of controls operating over FOI requests.
12	R	Council Owned Care Homes	H	30		✓			To review controls over the management of Council owned care homes.
13	C	Payroll	M	30				✓	Core system with significant value of payments. Scope to include controls over Electronic Payments.
14	C	Treasury Management	M	30	✓				Core system. To test controls over policies and practices, strategies and reporting and compliance with the Treasury Management Code of Practice.

Corporate Fraud Reviews

Ref	Strategic Risk/Risk Based/Core System (S/R/C or N/A)	Auditable Unit	Priority (H/M)	Total Number of Days	Q1	Q2	Q3	Q4	Comments
1	S	Vetting of Employees	H	30	✓				Action from Integrity Group. Review of vetting of new / existing employees to ensure that references obtained, PVG and Disclosure Scotland checks undertaken, membership of bodies maintained (eg SSSC), secondary employments and any convictions are disclosed.
2	R	Insurance Claims	H	15				✓	Review of controls to prevent insurance frauds particularly those below the Council's excess level.
3	R	Contract Compliance – Building Maintenance Services	H	15			✓		For a sample of contracts, check a sample of invoices to ensure that contract conditions are being adhered to.
4	R	Subletting of Council Owned Properties	H	30		✓			Local data match of Council tax system to house rents system to identify potential subletting of Council houses.
5	R and C	Council Tax Reduction Scheme and Discounts and Exemptions	M	50	✓	✓	✓	✓	Investigations for Council tax reduction scheme and discounts and exemptions to determine whether these reductions are claimed legitimately.

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6	C	National Fraud Initiative	M	55	✓	✓	✓	✓	To co-ordinate the NFI exercise, review and investigate matches and produce reports for the Audit Committee on the outcomes from these matches.
7	R	Fraud Awareness Training	M	10	✓	✓	✓	✓	A budget is set aside to allow fraud awareness training to be provided by the Corporate Fraud team to Council management and employees.

Annual Audit Work									
Ref	Strategic Risk/Risk Based/Core System (S/R/C or N/A)	Auditable Unit	Priority (H/M)	Total Number of Days	Q1	Q2	Q3	Q4	Comments
1	R and C	Recommendation follow up Reviews	H	35		✓		✓	2 reviews are undertaken. The first notes performance against closing issues by the agreed due date while the second includes a sample check on the adequacy of actions taken against issues which are flagged as closed.

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2	R and C	Review of Corporate Governance	M	10				✓	Internal Audit each year tests a sample of the key elements in the Code of Corporate Governance to determine whether these are operating as described. The results from this testing are included in the Annual Governance Statement.
3	R and C	Annual Assessment of Internal Controls	M	10				✓	Internal Audit each year prepares an annual report for the Audit Committee summarising the work undertaken by the Internal Audit Section and forming an opinion on the adequacy of the control environment within the Council.
4	N/A	Assessment of Internal Audit against PSIAS and of the Audit Committee against the CIPFA code.	M	15				✓	Each year the Internal Audit Section undertakes a self assessment against the Public Sector Internal Audit Standards and reports its findings to the Audit Committee. This year there will also be an external assessment. In addition assistance is provided to the Chair of the Audit Committee in undertaking an assessment of the Audit Committee against the CIPFA guidance.
5	R	Consultancy (4 at 30 days each)	H	120	✓	✓	✓	✓	Time is set aside in the plan to undertake any consultancy work / emerging risks.
6	R	Investigations (3 at 30 days)	H	90	✓	✓	✓	✓	Time is set aside in the plan to undertake any investigations.

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7	R	Help Desk Enquiry system	H	34	✓	✓	✓	✓	Internal Audit has a help desk facility where guidance and advice is given to management on internal controls. The help desk is also used to manage any enquiries received through the whistle blowing facilities offered by the Council.
8	N/A	Administration of Audit Scotland Reports	M	4	✓	✓	✓	✓	Internal Audit co-ordinates submission of Audit Scotland Reports to the Audit Committee.
9	N/A	Support for the Risk Management and Integrity Groups	M	15	✓	✓	✓	✓	Internal Audit attends and provides support to the Risk Management Group and the Integrity Group.
10	R and C	Audit reviews and support for the Integration Joint Board	H	80	✓	✓	✓	✓	This time relates to three scheduled audits for the Integration Joint Board and all related support work.
11	N/A	Planning for 2018/19	M	15				✓	Time is set aside to allow for the development of the 2018/19 internal audit plan.

Key:

S – Strategic Risk Based Audit

R – Risk Based Audit

C – Core Process or Systems Audit