

Causeway Coast & Glens Borough Council

Annual Internal Audit Plan 2017/18

Draft v1.1

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1 Introduction

This document sets out the programme for the provision of Internal Audit services to Causeway Coast and Glens Borough Council for 2017/18 and is based on our audit needs assessment as detailed in the Internal Audit Strategy 2016-2019. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps organisations accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control and governance processes.

The Internal Audit service for 2017/18 is provided as a shared service comprised of an in-house Head of Internal Audit and a team from an out-sourced provider (Moore Stephens).

2 Terms of Reference

Based on the summary of audit resources (see Appendix A) we intend to carry out 224 days detailed assurance work. In our opinion, this should be sufficient to cover an adequate range of risks and systems to enable us to provide an overall assurance statement on the Council's system of risk management and internal control to inform the annual Governance Statement. We note however that this is dependent on input from both parties within the co-sourced Internal Audit Service (as set out in Appendix A); should the resources available change during the year, we will amend the Internal Audit Plan accordingly and present to the Audit Committee.

Our internal audit approach is risk-based. We recognise that the risks to Council may change during the current financial year and we will endeavour to take any significant changes in the Council's risk profile into account in our internal audit work.

3 Internal Audit Plan 2017/18

The following table sets out our proposed Audit Plan for the period 2017/18. A possible outline scope is included, but this may be amended to reflect key risks identified at audit planning stage. We will develop a timetable for each audit area to be covered following approval of this plan and discussion with senior management.

Audit Area	Days	Auditor	Possible Outline Scope
Environmental Services Directorate			
Fleet management	10	In-house	<ul style="list-style-type: none">• Security & usage of fleet and fuel• Driver licencing• Operator licencing• Fleet maintenance• Motor insurance

Audit Area	Days	Auditor	Possible Outline Scope
Environmental Health	10	Moore Stephens	<ul style="list-style-type: none"> • Policies and procedures • Management of inspections • Recording of inspections and investigations
Waste Services	10	In-house	<ul style="list-style-type: none"> • Waste tonnage recording • Commercial and domestic waste invoicing
Licensing	8	In-house	<ul style="list-style-type: none"> • Entertainments licenses • Dog licenses • Income management
Parks and play areas	8	In-house	<ul style="list-style-type: none"> • Health and safety • Inspections
Animal welfare	8	Moore Stephens	<ul style="list-style-type: none"> • Statutory duties • Health and safety
Finance Directorate			
Asset management	10	In-house	<ul style="list-style-type: none"> • Policy • Recording and accounting for fixed and tagged assets • Monitoring assets
Payroll	6	In-house	<ul style="list-style-type: none"> • Starters and leavers • Changes to payroll standing data
Tenders & contracts	10	In-house	<ul style="list-style-type: none"> • Procurement policy • Compliance of tendering procedures
Creditor payments & purchasing	10	In-house	<ul style="list-style-type: none"> • Compliance with procurement policy (below tender threshold) • Prompt payment targets
Performance Directorate			
Land and Property	10	In-house	<ul style="list-style-type: none"> • Acquisition of land and property • Sale or disposal of land and property assets • Leases
Time recording & overtime	8	In-house	<ul style="list-style-type: none"> • Flexi-time / TOIL • Overtime payments
Insurance	6	In-house	<ul style="list-style-type: none"> • Renewal processes • Changes to items being insured • Sufficiency of insurance
Corporate and business planning	10	Moore Stephens	<ul style="list-style-type: none"> • General arrangements • Planning processes • Monitoring and performance review • Reporting
Performance improvement	5	Moore Stephens	<ul style="list-style-type: none"> • Overview of progress against Council's Performance Improvement Plan

Audit Area	Days	Auditor	Possible Outline Scope
Risk management	10	Moore Stephens	<ul style="list-style-type: none"> • Strategy • Identification and assessment • Monitoring, review and reporting processes • Assurance statements
Corporate governance	8	Moore Stephens	<ul style="list-style-type: none"> • Governance framework • Reporting • Policies covering conduct • Declaration of member and officer interests
Leisure and Development Directorate			
Community facilities	9	In-house	For a sample of facilities: <ul style="list-style-type: none"> • Cash handling • Venue hire and income
Museums	7	In-house	<ul style="list-style-type: none"> • Museum security • Building maintenance • Inventory recording, update and monitoring
PCSP	6	In-house	<ul style="list-style-type: none"> • Governance • Funding allocation • Performance management
Grant funding	10	Moore Stephens	<ul style="list-style-type: none"> • Funding policies • Advertising • Assessment of applications • Claims and verification of expenditure
Follow-up			
Follow-up audits of prior year reports with Limited Assurance Opinions			Follow-up of implementation of actions identified in response to recommendations made in previous audit reports
Business continuity and emergency planning	4	Moore Stephens	
Budgetary control	5	Moore Stephens	
Income and debtors	5	Moore Stephens	
ICT environment	4	Moore Stephens	
Information governance and data protection	5	Moore Stephens	
Caravan parks	8	In-house	
Ballyreagh Golf Course	4	In-house	
Follow-up of any other prior year recommendations	10	In-house	Follow-up of implementation of actions identified in response to recommendations made in previous audit reports
Total	224		

We recognise the dynamic environment that the Council operates within and that risks are continually changing. It is therefore appropriate that the audit plan is not regarded

as being fixed and inflexible. The priority and frequency of our audit work may change in order to recognise any changes to key risks areas identified within the Council. At the beginning of each audit assignment we will also consult with appropriate senior officers to ensure that current risk areas are included in the remit for our work and agree the scope of the audit work to be carried out.

The audit approach for each assignment will involve:

- Consideration of relevant information and key risks relating to the review area
- Documentation of the systems including reviewing existing arrangements in place and discussions with key staff
- Identification of key risk mitigation measures and evaluation of their adequacy through appropriate tests, discussions with key staff and observation

Following our audit fieldwork for each assignment we will discuss and agree our findings with relevant Council officers and issue a draft audit report for management to respond to our findings. A full audit report will be presented to the Audit Committee.

Our audit plan has been developed to provide coverage on the key risk areas identified in the Council and therefore does not include audit assignments in all areas within the Council. We have however built some contingency days into our audit resources (see Internal Audit Strategy 2015-2019) and should any additional areas require specific attention, we will adjust our plan accordingly.

Regular progress reports setting out our overall conclusions in each audit area and performance against plan will be provided to each Audit Committee meeting and an Annual Report will be presented at the end of the year presenting our overall assurance of the control environment within the Council.

Appendix A – Audit Resources

Description	Days 2017-2018		
	CCAG	Moore Stephens	Total
Available working days	260	96	356
LESS:			
Holidays (including statutory holidays)	40		
CPD	12		
	<u>52</u>		-52
Management & Administration			
Strategic and annual audit planning	1	3	
Periodic reporting to Audit Committee	2	2	
Annual reporting	1	1	
Preparation for and attendance at Audit Committee	4	4	
Contract and performance review meetings (x 2)		2	
Administration	20		
Contingency and special investigations	40		
	<u>68</u>	<u>12</u>	-80
Available audit and consultancy days	140	84	<u><u>224</u></u>