

Wolverhampton City Council

**OPEN DECISION ITEM**

Audit Committee

Date **16 APRIL 2012**

Originating Service Group(s)

**DELIVERY**

Contact Officer(s)/

**P FARROW R MORGAN**

Telephone Number(s)

**4460 5612**

Title/Subject Matter

**CORPORATE ASSURANCE PLAN 2012/13 – 2014/15**

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**RECOMMENDATION**

That the Corporate Assurance Plan for 2012/13 – 2014/15 be reviewed and approved.

## **1. PURPOSE AND BACKGROUND**

The purpose of internal audit is to provide the Council with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving the Council's agreed objectives. In order to provide this opinion, Internal Audit are required to review annually the risk management and governance processes within the Council. They also need to review on a cyclical basis, the operation of the internal control systems. It should be pointed out that internal audit is not a substitute for effective internal control. The proper role of internal audit is to contribute to internal control by examining, evaluating and reporting to management on its adequacy and effectiveness.

The purpose of this document is to provide the Council with a Corporate Assurance Plan, based upon an assessment of its assurance needs. The assessment of assurance needs exercise is undertaken to identify the systems of control and determine the frequency of audit coverage. The assessment will be used to direct internal audit resources to those aspects of the Council which are assessed as generating the greatest risk to the achievement of its objectives.

## **2. DETAILS**

- 2.1 The report details the proposed Corporate Assurance Plan covering the period 2012/13 to 2014/15, and the Periodic Assurance Plan for 2012/13.

## **3. FINANCIAL IMPLICATIONS**

- 3.1 The plans detailed will be implemented using current budgeted internal audit resources. Any recommendations with financial implications that emanate from internal audit work undertaken will be the subject of future reports to members. [GE/20032012/W]

## **4. LEGAL IMPLICATIONS**

- 4.1 There are no direct legal implications arising from this report. [MW/20032012/G]

## **5. EQUAL OPPORTUNITIES IMPLICATIONS**

- 5.1 There are no direct equal opportunities implications arising from this report.

## **6. ENVIRONMENTAL IMPLICATIONS**

- 6.1 There are no direct environmental implications arising from this report.

## **7. SCHEDULE OF BACKGROUND PAPERS**

Corporate Assurance Plan 2012/13 – 2014/15

# Wolverhampton City Council Corporate Assurance Plan

2012/13 to 2014/15

Including the Periodic Assurance Plan for 2012/13



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## A Quick guide to the Audit and Assurance Planning process

### Step 1- Audit Universe/Auditable Areas

Identify the Audit Universe (i.e. a list of areas that may require assurance) using a variety of methods:

- Areas of potential risk identified through a variety of sources, as having the potential to impact upon the Council's ability to deliver its objectives. Then, identify if we can gain assurance that any of these risks are being managed adequately from other sources of assurance.
- Mandatory areas, such as the Key Financial Systems work we do on behalf of the external auditors, grant claim certification etc.
- Areas where we use auditor's knowledge, management requests and past experience etc.



### Step 2 – Ranking

Score each auditable area as high, medium or low risk using the CIPFA scoring methodology: Materiality/Business Impact/Audit Experience/Risk/ Potential for Fraud



### Step 3 – Three Year Strategy

List the medium and high risk auditable areas in the three year Corporate Assurance Plan. High risk areas will be reviewed annually, medium risks once in a three year cycle, while a watching brief will remain on the low risks.



### Step 4 - Next Years Plan

List the areas that will be subject to a review in 2012/13 in the Periodic Assurance Plan.

## A Glossary of Terms

### **Governance**

The arrangements in place to ensure that the Authority fulfils its overall purpose, achieves its intended outcomes for citizens and service users and operates in an economical, effective, efficient and ethical manner.

### **Control environment**

Comprises the systems of governance, risk management and internal control. The key elements include:

- establishing and monitoring the achievement of the Authority's objectives
- the facilitation of policy and decision-making ensuring compliance with established policies, procedures, laws and regulations – including how risk management is embedded
- ensuring the economical, effective and efficient use of resources and for securing continuous improvement
- the financial management of the Authority and the reporting of financial management
- the performance management of the Authority and the reporting of performance management.

### **System of internal control**

The totality of the way an organisation designs, implements, tests and modifies controls in specific systems, to provide assurance at the corporate level that the organisation is operating efficiently and effectively.

### **Risk management**

A logical and systematic method of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating the risks associated with any activity, function or process in a way that will enable the organisation to minimise losses and maximise opportunities.

### **Risk based audit and assurance reviews**

A review that:

- identifies and records the objectives, risks and controls
- establishes the extent to which the objectives of the system are consistent with higher-level corporate objectives
- evaluates the controls in principle to decide whether or not they are appropriate and can be reasonably relied upon to achieve their purpose, addressing the organisation's risks identifies any instances of over and under control and provides management with a clear articulation of residual risks where existing controls are inadequate
- determines an appropriate strategy to test the effectiveness of controls i.e. through compliance and/or substantive testing
- arrives at conclusions and produces a report, leading to management actions as necessary and providing an opinion on the effectiveness of the control environment.

## **Audit Committee**

The governance group charged with independent assurance of the adequacy of the internal control environment and the integrity of financial reporting.

## **Internal audit**

An assurance function that provides an independent and objective opinion to the Authority on the control environment, by evaluating its effectiveness in achieving the Authority's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

## **Assurance**

A confident assertion, based on sufficient, relevant and reliable evidence, that something is satisfactory, with the aim of giving comfort to the recipient. The basis of the assurance will be set out and it may be qualified if full comfort cannot be given. The Head of Audit may be unable to give an assurance if arrangements are unsatisfactory. Assurance can come from a variety of sources and internal audit can be seen as the 'third line of defence' with the first line being the Authority's policies, processes and controls and the second being managers' own checks of this first line.

## **Internal Audit standards**



The Internal Audit team comply with the standards as laid out in the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom

## 1 Introduction

- 1.1 The purpose of internal audit is to provide the Section 151 Officer and Chief Executive with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving the Council's agreed objectives. In order to provide this opinion, we are required to review annually the risk management and governance processes within the Council. We also need to review on a cyclical basis, the operation of the internal control systems. It should be pointed out that internal audit is not a substitute for effective internal control. The proper role of internal audit is to contribute to internal control by examining, evaluating and reporting to management on its adequacy and effectiveness.
- 1.2 The purpose of this document is to provide the Council with a Corporate Assurance Plan, based upon an assessment of its assurance needs. The Assessment of Assurance Needs exercise is undertaken to identify the systems of control and determine the frequency of audit coverage. The assessment will be used to direct internal audit resources to those aspects of the Council which are assessed as generating the greatest risk to the achievement of its objectives.

## 2 Assessing the effectiveness of Risk Management and Governance

- 2.1 The effectiveness of risk management and governance will be reviewed annually, to gather evidence to support our opinion to the Section 151 Officer, Chief Executive and the Audit Committee. This opinion is reflected in the general level of assurance given in our Annual Report and within separate reports covering risk management and governance. This review will cover the elements of the risk analysis which we regard as essential for annual review in order to provide a positive, reasonable level of assurance.

## 3 Assessing the effectiveness of the system of control

- 3.1 In order to be adequate and effective, management should:

•	Establish and monitor the achievement of the Council's objectives and facilitate policy and decision making.
•	Identify, assess and manage the risks to achieving the Council's objectives.
•	Ensure the economical, effective and efficient use of resources.
•	Ensure compliance with established policies, procedures, laws and regulations.
•	Safeguard the Council's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption.
•	Ensure the integrity and reliability of information, accounts and data.

These objectives are achieved by the implementation of effective management processes and through the operation of a sound system of internal control. The annual reviews of risk management and governance will cover the control environment and risk assessment elements, at a high level. The programme of work developed as the



outcome of the Assessment of Assurance Need exercise will cover the system level control activities.

- 3.2 The Assurance Plan contained within this report is our assessment of the audit work required in order to measure, evaluate and report on the effectiveness of risk management, governance and internal control.

### **The Framework of Assurance**

- 3.3 The framework of assurance available to satisfy a local authority that the risks to its objectives, and the risks inherent in undertaking its work, have been properly identified and are being managed by controls that are adequately designed and effective in operation, will comprise a variety of sources and not only the work of Audit Services.

However, Audit Services holds a unique role within the Authority as the only independent source of assurance on all internal controls. The work of Audit Services is therefore central to this framework of assurance. Therefore, Audit Services attempt to acquire an understanding not only of the Authority's risks and its overall whole control environment but also, wherever possible, all sources of assurance.

In this way, Audit Services will be able to indicate whether key controls are adequately designed and effectively operated, regardless of the sources of that assurance. This role includes responsibility both for attempting to assess the assurance available to the Authority from other sources, whether internal or external, and for implementing a plan of internal audit work to obtain the required assurance.

Audit Services report to the Audit Committee, which is responsible for assessing the quality of the assurance available to the Authority and concerns itself with the adequacy and effectiveness of the Authority's internal control environment as assessed.

This document is, in the large part, risk-based and reflects the requirement for assurance (as well as current audit knowledge and the requirement to follow up earlier work). This Plan includes work undertaken directly by Audit Services, but will also recognise assurance work undertaken by other parts of the Authority or by external organisations, the adequacy of which will be assessed on an ongoing risk basis.

The Annual Internal Audit Report to the Authority will include an opinion on the overall adequacy and effectiveness of the Authority's control environment, and will, where appropriate, include reference to the assurance made available to the Authority by other providers as well as Audit Services.

## **4 Assessment of Assurance Needs methodology**

- 4.1 Internal audit should encompass the whole internal control system and not be limited only to financial control systems. The scope of internal audit work should reflect the core objectives of the Council and the key risks that it faces. As such, each audit cycle starts with a comprehensive analysis of the whole system of internal control that ensures the achievements of the Council's objectives.

- 4.2 Activities that contribute significantly to the Council's internal control system, and also to the risks it faces, may not have an intrinsic financial value necessarily. Therefore, our approach seeks to assign a relative risk value. The purpose of this approach is to enable the delivery of assurance to the Council over the reliability of its system of control in an effective and efficient manner.
- 4.3 We have undertaken our assessment using the following process:
- We identified the core objectives of the Council and, where available, the specific key risks associated with the achievement of those objectives.
  - We then identified the auditable areas that impact significantly on the achievement of the control objectives.
  - We assigned risk values to the auditable areas, based on the evidence we obtained.
- 4.4 The Assurance Plan is drawn out of the assessment of assurance need. The proposed plan covering the period 2012/13 to 2013/15 is detailed at the end of this document.

## 5 The Assessment of Assurance Needs

### Identifying the core Council objectives and the associated risks

- 5.1 The following aims have been set out in the Council's 2012-15 Corporate Plan:

- Encouraging Enterprise and Business
- Empowering People and Communities
- Re-Invigorating the City

Supported by:

- A Confident, Capable and Championing Council

While a strategic risk register is developed from the new Council Plan, we have taken the following risks from Zurich Municipal's "Tough Choices" Local Government Risk Ranking exercise as a broad reflection of the type of key risks the Council currently faces:

- Impact of a prolonged recovery and a 'funding gap'
- Reputational damage
- Data loss and privacy incidents
- Supply chain failure
- Short term decision making
- Workforce planning issues
- Emergency response and business continuity threats
- Organisational change programme failure
- Loss of community cohesion

- Climate change
- Impact of fraud and the compensation culture
- Governance failure
- Political uncertainty

We have also incorporated our local knowledge on further risks the Council faces around:

- The shared service transformation programme
- The i54/JLR programme
- Single Status
- Safeguarding
- Partnership working
- Public health

### Identifying the “audit universe”

- 5.2 In order to undertake the assessment of assurance need, it is first necessary to define the audit universe for the Council. The audit universe describes all the systems, functions, operations and activities undertaken by the Council. Given that the key risk to the Council is that it fails to achieve its objectives, we have identified the audit universe by determining which systems and operations impact upon the achievement of the core objectives of the Council, as identified in 5.1 above, and the management objectives in 3.1 above. These auditable areas include the control processes put in place to address the key risks.

The auditable areas identified within the audit universe are set out towards the end of this document. In addition to the above, there are also common systems and functions which are generic to all areas, along with a number of mandatory reviews. Where deemed appropriate they may also be included in the audit universe set out in detail at the end of this document.

### Assessing the risk of auditable areas within the assurance framework

- 5.3 Risk is defined as “The threat that an event or action will adversely affect an organisation's ability to achieve its business objectives and execute its strategies.”

Source: Economist Intelligence Unit - Executive Briefing.

- 5.4 There are a number of key factors for assessing the degree of risk within the auditable area. These have been used in our calculation for each auditable area and are based on the following factors:

- Materiality
- Business Impact
- Audit Experience
- Risk
- Potential for Fraud

## **Deriving the level of risk from the risk values**

- 5.5 In this model, the assignment of the relative values are translated into an assessment of risk. The risk ratings used are high, medium or low to establish the frequency of coverage of internal audit.

## **Full Coverage Intensity Approach (Key Financial Systems)**

- 5.6 The Key Financial System reviews are undertaken at the request of, and on behalf of the External Auditors (currently PwC) in order to enable them to place reliance upon the work of Audit Services and thereby reduce their workload accordingly. These reviews are undertaken using a full coverage intensity approach whereby each Key Financial System is audited each year at different levels of intensity as agreed in advance with the External Auditors.

## **6 Developing a Corporate Assurance Plan**

- 6.1 The Corporate Assurance Plan is based, wherever possible, on management's risk priorities, as set out in the Council's own risk analysis/assessment. The Strategy has been designed so as to, wherever possible, cover the key risks identified by such risk analysis.
- 6.2 In establishing a Corporate Assurance Plan, the relationship between risk and frequency of audit remains absolute. The level of risk will always determine the frequency by which auditable areas will be subject to audit. This ensures that key risk areas are looked at on a frequent basis. The aim of this approach is to ensure the maximum level of assurance can be provided with the minimum level of audit coverage.

In the course of the period covered by the Assurance Plan, the priority and frequency of audit work will be subject to amendment in order to recognise changes in the risk profile of the Council.

Auditor's judgement has been applied in assessing the number of days required for each audit identified in the strategic cycle.

- 6.3 The assessment of assurance need's purpose is to:
- determine priorities and establish the most cost-effective means of achieving audit objectives;
  - assist in the direction and control of all audit work
- 6.4 This builds on and supersedes previous Internal Audit plans.
- 6.5 Included within the Plan, in addition to audit days for field assignments are:
- a contingency allocation, which will be utilised when the need arises, for example, special projects, investigations, advice and assistance, unplanned and ad-hoc work as and when requested.

- a follow-up allocation, which will be utilised to assess the degree of implementation achieved in relation to key recommendations agreed by management during the prior year.
- an audit management allocation, which is used for management, quality control, client and External Audit liaison and for preparation for, and attendance at various member meetings and Audit Committee etc.

## **7 Considerations required of the Audit Committee, Council management Chief Executive and the Section 151 Officer**

- Are the objectives and key risks identified consistent with those recognised by the Council?
- Does the audit universe identified include all those systems which would be expected to be subject to internal audit?
- Are the risk scores applied to the audit universe reasonable and reflect the Council?
- Does the Corporate Assurance Plan cover the key risks as they are recognised?
- Is the allocation of audit resource accepted, and agreed as appropriate, given the level of risk identified?

## **8 Information to support the Assurance Plan**

### **Resources required**

It is estimated that approximately 3,400 internal audit days (including all fraud, assurance and contingency work) will be required to deliver the Periodic Assurance Plan for 2012/13 as detailed at the end of this document.

### **Communication of results**

The outcome of internal audit reviews is communicated by way of a written report on each assignment undertaken. However, should a serious matter come to light, this will be reported to the appropriate level of management without delay.

### **Staffing**

Staff are recruited, trained and provided with opportunities for continuing professional development. Staff are also sponsored to undertake relevant professional qualifications. All staff are subject to the Employee Performance review Scheme, which leads to an identification of training needs. In this way, we ensure that staff are suitably skilled to deliver the internal audit service. This includes the delivery of specialist skills which are provided by staff within the service with the relevant knowledge, skills and experience.

### **Quality assurance**

All audit work undertaken is subject to robust quality assurance procedures as required by relevant (i.e. CIPFA, CIIA) professional standards. These arrangements are set out in the division's standards manual and require that all working papers and reports are subject to thorough review by professionally qualified accountancy (CCAB) staff.

A separate Corporate Assurance Plan has been prepared, and will be submitted to the relevant body, for the following customers for whom Wolverhampton City Council's Audit Services also provide the internal audit, fraud and assurance related services:

- West Midlands Pension Fund
- Wolverhampton Leisure Trust
- Heath Park Academy

**The following reviews and associated services will be delivered corporately across the Authority:**

Auditable Area	Purpose
Governance	A review of an aspect of the governance framework as detailed in CIPFA/Solace's "Corporate Governance in Local Government".
Risk Management	A review of progress in the embedding of corporate risk management procedures. This will include assessing the Council's risk 'maturity' (i.e. the extent to which a robust enterprise wide risk management approach is adopted and applied across the Council).
Assurance Framework	A high level review of the assurance framework, including the use of Control Assurance Statements, risk management and other sources in the compilation of the Annual Governance Statement.
Assurance Mapping	An ongoing mapping exercise between the controls identified as mitigating risk from the strategic risk register, to the sources of assurance that these controls are operating. This will play a key part in informing the Annual Governance Statement.
National Fraud Initiative	In accordance with Audit Commission requirements we will lead on the Council's NFI data matching exercise, including working with the successor body to the Audit Commission.
Fraud Investigations	The carrying out of investigations into areas of suspected or reported fraudulent activity across the Council.
Counter Fraud Activities	A series of council wide pro-active fraud activities, including the targeted testing of areas open to the potential of fraudulent activity including maintenance of the Council's fraud risk register, hosting raising fraud awareness seminars and fraud surgeries and the production of a regular anti-fraud and corruption newsletter.
Value for Money Reviews	During the year discussions will be held with senior management regarding the identification of potential value for money areas, where Audit Services could be of assistance in performing value for money reviews.
Expenditure Transparency	A detailed review of a series of individual payments selected by the Audit Committee. This may link into any requests received by the Council from 'Armchair Auditors' as a result of the Local Data Spending Requirement to publish all payments over £500. Also, an ongoing review of the Council's compliance with the government's data transparency publishing requirements will be undertaken.

Auditable Area	Purpose
Recommendation Follow Up	The follow up of key internal audit recommendations made across the Council in 2011/12.
Development & Advice	Reviewing system developments on key controls and providing advice relating to systems which are not necessarily covered by audits originally scheduled for 2012/13.
Contingency	Special projects, advice and assistance, unplanned and ad-hoc work as and when requested.
Management	Day to day management of the internal audit service, quality control, client and External Audit liaison and preparation for, and attendance at various meetings.
Audit Committee	Preparation and presentation of papers for the Audit Committee and Sub-Committees. Providing training to committee members as and when required, and leading on the committee's annual self assessment exercise and skills audit.



**Corporate Assurance Plan: Community**  
For the period 1 April 2012 to 31 March 2015

<b>Auditable Areas:</b>	<b>Risk</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
<b>Children and Family Support</b>				
Family Support & Group Activity Budget	Medium	√		
Adoption Allowances, Special Guardianship Allowances & Residence Order Allowances	Medium	√		
Looked After Children Establishment Audit	Medium		√	
Family Advice Support Team and Emergency Duty Team	Medium	√		
<b>Adult Social Care and Housing Support</b>				
Personalisation/Self Directed Support	High	√	√	√
Direct Payments	High	√	√	√
Homecare System (CM2000 - including Brokerage Team)	High	√	√	√
Electronic Social Care Records System	High	√	√	√
Day Opportunities Income Collection & Management of Client Money	Medium	√		
Outreach Services Management of Service Users' Finances	Medium	√		
Ernest Bold Resource Centre – Short Breaks	Medium		√	
Duke Street Bungalows	Medium			√
Church Street Outreach Services	Medium		√	
Employment Opportunities (Albert Road & Old Tree Nursery)	Medium			√
Deferred Payment Agreements	Medium	√		
<b>Health and Wellbeing</b>				
Adult Safeguarding	High	√	√	√
Children's Safeguarding	High	√	√	√
Contract Management (Contract Monitoring and Quality Assurance)	High	√	√	√
Complaints Process	Medium		√	
<b>Leisure and Communities</b>				
Community Initiatives - Supporting Changes/Changing Support Strategy (2012-2016)	High	√	√	√
Leisure Trust - Monitoring (WCC)	Medium		√	
Blakenhall Healthy Living Centre	Medium			√
Parks Commissioning/Management Arrangements	Medium	√		

**Community: Periodic Assurance Plan for the period 1 April 2012 to 31 March 2013**

Auditable Area	Purpose	Risk Category
<b>Children and Family Support</b>		
Family Support and Group Activity Budget	A review of the Family Support and Group Activity budget usage in accordance with the policy and procedure for purchases (non-care) for individual families/children and groups.	Medium
Adoption Allowances, Special Guardianship Allowances & Residence Order Allowances	A review of the procedures in operation for the determination and payment of allowances in accordance with the policy.	Medium
Family Advice Support Team/Emergency Duty Team	A review of service provision by the Family Advice Support Team and the Emergency Duty Team to take place after the implementation of the proposed restructure.	Medium
<b>Adult Social Care and Housing Support</b>		
Personalisation/Self Directed Support	A review of the personalisation/self-directed support arrangements and supporting RAS system to ensure they are robust, effective and present good practice.	High
Direct Payments	A review of the Direct Payment system to assess the adequacy of the procedures in place to ensure that all monies are spent in accordance with set care plans and the Direct Payment agreement, and are accounted for accurately and completely.	High
Homecare System (CM2000 - including Brokerage Team)	A review of the operational and financial procedures regarding the use of the Homecare/CM2000 System in relation to the monitoring and payment of invoices for Domiciliary Care provision.	High
Electronic Social Care Records System	A review of the proposed implementation of ESCR and the associated procedures including scanning of records and links to CareFirst.	High
Day Opportunities Income Collection and Management of Client Money Procedures	A review of the income collection procedures regarding monies brought in by clients for weekly activities to ensure they are accounted for accurately and completely, while still promoting client's independence (Stowheath Day Centre, Oxley Day Centre and the Neil Doherty Community and Resource Centre).	Medium

Auditable Area	Purpose	Risk Category
Outreach Services Management of Service Users' Finances (North and South)	A review of the arrangements for managing clients' financial affairs and compliance with the procedures/guidelines with regard to transparency, accountability and promoting client ownership of managing their finances independently while ensuring an adequate level of safeguarding remains.	Medium
Deferred Payment Agreements	A review of the procedures for deferred payment arrangements including the involvement of Legal Services.	Medium
<b>Health and Wellbeing</b>		
Contract Management (Contract Monitoring and Quality Assurance)	A review of contract management/monitoring arrangements in operation for commissioned services.	High
Adult Safeguarding	We will review how the risks around safeguarding are being identified, assessed and controlled, with a view to developing an assurance map, and then focussing any in-year work on where there may be gaps in the assurance, or where no gaps are identified, place reliance on the other means of assurance. Including taking account of the outcomes of external peer reviews/inspections.	High
Children's Safeguarding	As above, we will review how the risks around safeguarding are being identified, assessed and controlled, with a view to developing an assurance map, and then focussing any in-year work on where there may be gaps in the assurance, or where no gaps are identified, place reliance on the other means of assurance. Including a review of the arrangements for the implementation of the Ofsted Safeguarding Children's action plan.	High
<b>Leisure and Communities</b>		
Community Initiatives - Supporting Changes/Changing Support Strategy (2012-2016)	A review of the proposed Supporting Change/Changing Support Strategy prior to implementation.	High
Parks Commissioning/Management Arrangements	A review of the management arrangements for the transfer of operational responsibility to City Services.	Medium

**Corporate Assurance Plan: Education & Enterprise**  
For the period 1 April 2012 to 31 March 2015

<b>Auditable Areas:</b>	<b>Risk</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2015/16</b>
<b>Promotions and Partnerships</b>				
ERDF Funding	Medium		√	
<b>Regeneration</b>				
i54 and Vine Island	High	√	√	√
Decent Homes Programme	High	√	√	√
Canalside Quarter	Medium	√		
Wolverhampton Homes Management Agreement	Medium		√	
Decent Homes VfM arrangements	Medium		"	√
<b>Schools, Skills and Learning</b>				
Academy Conversion	High	√	√	√
BSF – PFI	High	√	√	√
Schools Audits (covering each of the Authority's schools over a 3 year cycle)	Medium	√	√	√
Traded Services	Medium		√	

## Education & Enterprise: Periodic Assurance Plan for the period 1 April 2012 to 31 March 2013

Auditable Area	Purpose	Risk Category
<b>Regeneration</b>		
i54 and Vine Island	A review of the contract issues and payment and risk management arrangements in respect of the Jaguar Land Rover (JLR) project. Audit coverage will be provided in conjunction with the Internal Audit team at Staffordshire County Council, in order to wherever possible, combine the assurance that can be provided. Along with a review of the arrangements for the letting of the Vine Island Highways Improvement Scheme to cater for background traffic growth and the i54 employment development site.	High
Decent Homes Programme	We will review the procurement arrangements for the next Decent Homes Programme.	High
Canalside Quarter	A high level review and related advice on the proposed relocation of liquid petroleum gas (LPG) operations from Carvers Little Lane site following the Judicial Review proceedings against the Council by the Health and Safety Executive (HSE) in respect of the Victoria Halls student accommodation.	Medium
<b>Schools, Skills and Learning</b>		
Academy Conversion	A review of the academy conversion process in relation to Commercial Transfer Agreements between the Academy and Local Authority, deficit budgets, cessation of SLAs, payment of invoices, calculation of balances etc.	High
BSF – PFI	A review of the Private Finance Initiative (PFI) arrangements for the Sample Schools Scheme of Highfields / Penn Fields Schools on the Highfields site. The review will cover contract management and monitoring, performance management and payment mechanism, governance arrangements, appointment of external advisors and payment of, TUPE and the risk management arrangements.	High
Schools Audits (covering each of the Authority's schools over a 3 year cycle)	A review of the governance and financial procedures in place at a sample of Primary, Secondary and Special Schools will be undertaken in accordance with a three year cycle designed to ensure coverage of all Local Authority schools within Wolverhampton.	Medium

**Corporate Assurance Plan: Delivery**  
For the period: 1 April 2012 to 31 March 2015

<b>Auditable Areas:</b>	<b>Risk</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
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For the following key financial systems reviews, the control matrices (nature and type of tests, sample sizes etc.) used in our review include the requirements of the External Auditors - PwC, in order that they can place reliance on our work and thereby reduce their own year-end testing accordingly:

General Ledger	High	√	√	√
Budgetary Control	High	√	√	√
Payroll	High	√	√	√
Sundry Debtors (including Domiciliary Care)	High	√	√	√
Creditors	High	√	√	√
Creditors – eshop	High	√	√	√
Cash Collection & Banking	High	√	√	√
Council Tax	High	√	√	√
National Non-Domestic Rates (NNDR)	High	√	√	√
Treasury Management	High	√	√	√
Housing Benefits	High	√	√	√
Assessment & Billing (Residential Care)	High	√	√	√
Capital Expenditure	High	√	√	√
Housing Rents	High	√	√	√

The following grant certifications etc. will be undertaken, including where appropriate the use of established performance indicators and compliance with the grant conditions. As *this is standard grant certification work no risk assessment is required*:

TR17 Teachers Pensions Return Certification	N/A	√	√	√
Payroll Contribution Statements for WMPF	N/A	√	√	√
Senior Officers Salaries over £50k check	N/A	√	√	√
Senior Officer Emoluments	N/A	√	√	√

<b>Corporate Services</b>				
Single Status - Implementation Arrangements	High	√	√	
Equal Pay Claims	High	√	√	√
Single Status - Terms & Conditions	High	√	√	
Shared Services Transition Programme SSTP (Procurement Arrangements)	High	√	√	
Corporate Plan (Operational Delivery and Associated Risks)	Medium		√	
WCC Accountable Body - Management Arrangements	Medium			√
Debt Management	Medium	√		
Non-Purchase Order Payment Exemptions	Medium	√		
E-Shop Usage	Medium		√	
Grant Accounting Arrangements	Medium	√		
Central (Contracts) Procurement Register	Medium		√	
Absence Management - Reporting and Monitoring	Medium			√

<b>Governance</b>				
Business Continuity	High	√	√	√
Emergency Planning	High	√	√	√
Elections - Postal Voting	Medium	√		

<b>Auditable Areas:</b>	<b>Risk</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
<b>City Services</b>				
Carbon Reduction Credits(CRC) Assurance Statement	High	√	√	√
Governance Arrangements for Waste & Street Scene Services	Medium	√		
ICTS - Data Centre Management	Medium	√		
ICTS - Data Management	Medium	√		
ICTS - Desktop Asset Management Review	Medium		√	
ICTS - Service Desk Arrangements	Medium			√
CRC - On-going Assurance Work	Medium		√	
Property Services Contracts	Medium	√		

**Delivery: Periodic Assurance Plan for the period 1 April 2012 to 31 March 2013**

Auditable Area	Purpose	Risk
<p>For the following key financial systems reviews, the control matrices (nature and type of tests, sample sizes etc.) used in our review include the requirements of the External Auditors, in order that they can place reliance on our work and thereby reduce their own year-end testing accordingly.</p>		
<ul style="list-style-type: none"> <li>• General Ledger</li> <li>• Budgetary Control</li> <li>• Payroll</li> <li>• Sundry Debtors (including Domiciliary Care)</li> <li>• Creditors</li> <li>• Creditors – eShop</li> <li>• Cash Collection and Banking</li> <li>• Council Tax</li> <li>• National Non-Domestic Rates (NNDR)</li> <li>• Treasury Management</li> <li>• Housing Benefits</li> <li>• Assessment and Billing (Residential Care)</li> <li>• Capital Expenditure</li> <li>• Housing Rents</li> </ul>	<p>An annual review of the high-level system controls.</p> <p>** these areas include a detailed review of further key processes under a full coverage intensity approach (with all such processes being reviewed over a cyclical period) as agreed with the External Auditors.</p>	<p>High</p>
<p>Grant Certification Process:</p> <ul style="list-style-type: none"> <li>• TR17 Teachers Pensions Return Certification</li> <li>• Payroll Contribution Statements for WMPF</li> <li>• Senior Officers Salaries over £50k check</li> <li>• Senior Officer Emoluments</li> </ul>	<p>A review of compliance with the various grant and/or legislative requirements regarding these returns.</p>	<p>N/A</p>
<p><b>Corporate Services</b></p>		
<p>Single Status - Implementation Arrangements</p>	<p>A series of on-going consultancy and systems reviews overseeing the implementation of the Council's Single Status agreement, providing on-going assurance to the Project Executive and the Council's Section 151 Officer.</p>	<p>High</p>



Auditable Area	Purpose	Risk
Equal Pay Claims	On-going consultancy and advice in respect of the continued risks surrounding equal pay claims against the Council. A separate closure audit of the project has been requested by the Project Manager. As above, this work provides on-going assurance to the Project Executive and the Council's Section 151 Officer.	High
Single Status – Terms and Conditions	On-going consultancy and systems reviews overseeing the review of the terms and conditions project group arising from Single Status.	High
Shared Services Transition Programme SSTP (Procurement Arrangements)	A high level review of the procurement arrangements being explored as part of the mainframe replacement programme. The objective of this audit is to provide assurance that the Council is compliant with the Council's Contract Procedure Rules and appropriate procurement legislation.	High
Debt Management	A review of the policies and procedures in place for reducing the level debts the Council has, or is writing off.	Medium
Non Purchase Order Payment Exemptions	A high level systems review of non-order exceptions to ensure they are acceptable and compliant with the Council's Financial Procedure Rules.	Medium
Grant Accounting Arrangements	A high level systems review of grants received by the Council to ensure they are accounted for appropriately and to give assurance that the appropriate funding terms are being complied with.	Medium
<b>Governance</b>		
Business Continuity	AI review of the adequacy of the Council's business continuity arrangements.	High
Emergency Planning	A review of the adequacy of the Council's emergency planning arrangements.	High
Elections - Postal Vote	A review to provide independent assurance over the controls and processes put in place and operated by the Council regarding postal votes, including compliance with Electoral Commission guidelines.	Medium

Auditable Area	Purpose	Risk
<b>City Services</b>		
Carbon Reduction Credits (CRC) Assurance Statement	A review and certification, of the annual assurance report, which is an annual audit and certification requirement.	High
Governance Arrangements for Waste & Street Scene Services	A high level review and consultancy in respect of the on-going management of Waste and Street Scene Services.	Medium
ICTS - Data Centre Management	A review of the Primary Data Centre in the Civic Centre to provide assurance around the logical and physical access controls.	Medium
ICTS - Data Management	A review of the Council's data management arrangements to provide assurance around controls for data held both internally and externally.	Medium
Property Services Contracts	A review of two contracts managed by the Council's Property Services division. <i>(Note these contract audits form part of the Capital Expenditure Managed Audit detailed above).</i>	Medium

**Corporate Assurance Plan: Office of Chief Executive**  
**For the period: 1 April 2012 to 31 March 2015**

<b>Auditable Areas:</b>	<b>Risk</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Information Governance	High	√	√	√
Corporate Complaints	Medium		√	
Performance Management	Medium			√
Safer Partnership	Medium	√		
Welfare Reform	Medium	√		

**Office of Chief Executive: Periodic Assurance Plan for the period 1 April 2012 to 31 March 2013**

Auditable Area	Purpose	Risk
Information Governance	During the year ongoing advice, support, and awareness on Information Governance issues will be provided across the Council. In addition, we will seek to provide assurance on the implementation of robust information governance arrangements across the Council resulting from the ICO report.	High
Safer Partnership	To look at issues surrounding the governance structures, accountabilities, and the discharge of the statutory function.	Medium
Welfare Reform	An area of welfare reform will be subject to review, the scope of which area will be determined during the year.	Medium