



# Audit Committee

10 March 2014

<b>Report title</b>	Internal Audit Plan 2014/15	
<b>Cabinet member with lead responsibility</b>	Councillor Paul Sweet Governance and Performance	
<b>Accountable director</b>	Keith Ireland, Delivery	
<b>Originating service</b>	Audit	
<b>Accountable employee(s)</b>	Peter Farrow Tel Email	Head of Audit 01902 554460 peter.farrow@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Delivery Directorate Leadership Team	25 February 2014

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## **Recommendation(s) for action or decision:**

The Committee is recommended to:

1. Review, assess and approve the risk based internal audit plan for 2014/15.

## **1.0 Purpose**

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.

The purpose of this document is to provide the Council with a risk-based internal audit plan, incorporating a strategic statement for internal audit, and based upon an assessment of 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.

## **2.0 Background**

2.1 Internal audit is a statutory requirement for all Local Authorities. The audit service provided to the Council is in accordance with the Local Government Act (1972), the Accounts and Audit Regulations Act and the Public Sector Internal Audit Standards.

## **3.0 Progress, options, discussion, etc.**

3.1 Progress against the delivery of the internal audit plan will be reported back to the Audit Committee on a quarterly basis.

## **4.0 Financial implications**

4.1 There are no financial implications arising from the recommendations in this report. The audit plan detailed will be implemented using current budgeted internal audit resources.  
[GE/25022014/U]

## **5.0 Legal implications**

5.1 There are no legal implications arising from the recommendations in this report.  
(JH/28022014/R)

## **6.0 Equalities implications**

6.1 There are no equalities implications arising from the recommendations in this report.

## **7.0 Environmental implications**

7.1 There are no environmental implications arising from the recommendations in this report.

## **8.0 Human resources implications**

8.1 There are no human resources implications arising from the recommendations in this report

**9.0 Corporate landlord implications**

9.1 There are no corporate landlord implications arising from the recommendations in this report.

**10.0 Schedule of background papers - None**



**Audit Services**



## Internal audit plan for 2014/15



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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 managed audit 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 cycle

List the likely medium and high risk auditable areas for the next three years. High risk areas will be reviewed annually, medium risks usually 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 2013/14 in the internal audit plan.

## A Glossary of Terms

### Definition of internal auditing

Internal auditing is 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.

### Governance

The arrangements in place to ensure that the Council 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 Council'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 Council and the reporting of financial management
- the performance management of the Council 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

- tests 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.

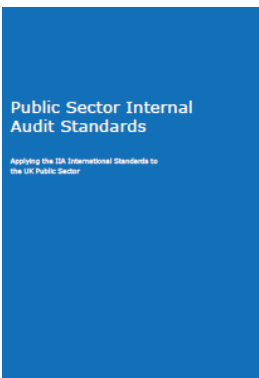
### **Audit Committee**

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

### **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 Council'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 new Public Sector Internal Audit Standards that came into effect on 1 April 2013.



## 1 Introduction

- 1.1 The purpose of internal audit is to provide the Chief Executive, Section 151 Officer and Audit Committee 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 true role of internal audit is to contribute to internal control by examining, evaluating and reporting to management on its adequacy and effectiveness.
- 1.2 There is a statutory requirement for internal audit to work in accordance with the 'proper audit practices'. These 'proper audit practices' are in effect the 'Public Sector Internal Audit Standards'. The Council has an Internal Audit Charter which was approved by the Audit Committee in September 2013 and defines the activity, purpose, authority and responsibility of internal audit, and establishes its position within the Council. This document sits alongside the charter, and helps determine how the internal audit service will be developed.
- 1.3 The purpose of this document is to provide the Council with an internal audit 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 Chief Executive, Section 151 Officer 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 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 role within the Council 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 Council'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 Council 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 Council and concerns itself with the adequacy and effectiveness of the Council'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, wherever possible, recognise assurance work undertaken by other parts of the Council or by external organisations, the adequacy of which will be assessed on an ongoing risk basis.

The annual internal audit report to the Council will include an opinion on the overall adequacy and effectiveness of the Council's control environment, and will, where appropriate, include reference to the assurance made available to the Council 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 audit plan is drawn out of the assessment of assurance need. The proposed plan covers the 2014/15 financial year and is detailed at the end of this document.

## 5 The Assessment of Assurance Needs

### Identifying the Council's organisational objectives, priorities and the associated risks

- 5.1 The following are the Council's key priorities:

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

Supported by:

- A Confident, Capable Council

At the time this plan was prepared, the Council was in the process of updating its risk register, and the initial risk identification exercise, identified the following risks:

- Looked After Children
- Community Skills
- Information Governance

• Medium Term Financial Strategy
• FutureWorks
• Compliance with the Public Sector Network
• Safeguarding
• Business Continuity Management
• City Centre Regeneration
• Anti-Poverty Strategy
• The Care Bill
• Health and Social Care Reforms
• External Services
• School Improvement
• Emergency Planning
• Single Status and Equal Pay

### 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 an internal audit plan**

- 6.1 The internal audit plan is based, wherever possible, on management's risk priorities, as set out in the Council's own risk analysis/assessment. The plan has been designed so as to, wherever possible, cover the key risks identified by such risk analysis.
- 6.2 In establishing the 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 this 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 exercise 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 Chief Executive, Section 151 Officer Audit Committee and Council management

- Are the objectives and key risks identified consistent with those recognised by the Council?
- Does the plan include all those systems which would be expected to be subject to internal audit?
- Are the risk scores applied to the plan reasonable and reflect the Council?
- Does the 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 How the internal audit service will be delivered

### Resources required

It is estimated that approximately 2,560 internal audit days (including all fraud, assurance and contingency work) will be required to deliver the audit plan for 2014/15 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

Employees are recruited, trained and provided with opportunities for continuing professional development. Employees are also sponsored to undertake relevant professional qualifications. All employees are subject to the Council's appraisal scheme, which leads to an identification of training needs. In this way, we ensure that employees are suitably skilled to deliver the internal audit service. This includes the delivery of

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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, CIAA) 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.

**Combined assurance**

We work in conjunction with the Council's External Auditors (PwC) in order to ensure that the assurance both internal and external audit can provide, is focussed in the most efficient manner and that any duplication is eliminated. This plan also attempts to identify where our External Auditors will be undertaking work, and will be updated and amended as and when both plans are finalised and as the year progresses. However, it should be noted that the actual scope and time periods covered by internal and external audit, can on occasions differ. This will be taken into account when scoping out work in potential overlapping areas.

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

<b>Auditable Area</b>	<b>Purpose</b>
Governance	Ongoing review of aspects of the governance framework as detailed in CIPFA/Solace's "Corporate Governance in Local Government".
Risk management	Ongoing review of the progress made in embedding the corporate risk management procedures. This will include assessing the Council's risk 'maturity'.
Assurance framework	Ongoing 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 (the Cabinet Office).
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 advice and or/reviews.
Expenditure transparency	An ongoing review of the Council's compliance with the government's data transparency publishing requirements will be undertaken.
Recommendation follow up	The follow up of key internal audit recommendations made across the Council in 2013/14
Development and advice	Reviewing system developments on key controls and providing advice relating to systems which are not necessarily covered by audits originally scheduled for 2014/15.
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 advice and training to committee members as and when required, and leading on the committee's annual self assessment exercise and skills audit.



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**Community: Internal Audit Plan for the period 1 April 2014 to 31 March 2015**

Auditable Area	Purpose	Risk Category
<b>Children, Young People, and Families</b>		
Placements (including Looked After Children)	A review of systems/processes in operation for the establishment of effective placements in accordance with assessed care needs from referral through to on-going monitoring of outcomes.	High
Contract Audit	A specific contract audit of a selected contract (to be selected in-year in liaison with Commissioners, Budget Holders and Quality Assurance).	High
Children's Centres Governance & Monitoring Arrangements	A review of compliance with the governance framework and monitoring of delivery of outcomes /use of funding.	Medium
Transitions Team (Care Leavers)	A review of systems/procedures in operation within the Transitions Team (Care Leavers) for the effective transition of care leavers.	Medium
<b>Older People &amp; Personalisation</b>		
Rehabilitation Strategy	A review of the mechanisms in place for the effective transition of older people from rehabilitation to appropriate services (including suitably integrated re-ablement and enablement services as part of the Home Assisted Re-abled Programme) in order to meet assessed needs and achieve the best outcome as part of the service user's journey.	High
Commissioning Strategy	A review of the Commissioning Strategy and supporting framework of policy/procedures with reference to Financial Procedure Rules, Procurement Rules, best practice and specifically Society of Local Authority Chief Executives and Senior Managers (SOLACE) guidance.	High
Direct Payments	A review will be undertaken of the implementation of the payment card system and associated key controls and procedures within the Direct Payments scheme.	High
High Cost Care Packages	A review of the effectiveness of systems/processes in place for establishing and procuring high cost care packages in alignment with lead service area responsibility/accountability and collaboratively in liaison with other service areas to aggregate requirements and costs to achieve better procurement/service delivery outcomes.	Medium
Resource Centre Health Checks	A review of the adequacy of key procedures, internal controls and compliance with Constitutional Financial and Procurement Procedure Rules e.g. budgetary control, procurement, payroll, income, service users' finances and security.	Medium

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Auditable Area	Purpose	Risk Category
<b>Health, Wellbeing, &amp; Disability</b>		
Budgetary Control	A high level review of the budgetary control framework in operation within Health, Wellbeing and Disability to ensure effective procedures are in place, budgetary support is suitably provided and utilised, and compliance with Financial Procedure Rules.	High
Delivery of Savings Plan	A high level review of the adequacy of the mechanisms put in to ensure delivery of the Health, Wellbeing and Disability Savings Plan.	High
Short Break Respite Centre Health Checks	A review of the adequacy of key procedures, internal controls and compliance with Constitutional Financial and Procurement Procedure Rules e.g. budgetary control, procurement, payroll, income, service users' finances and security.	Medium
Disability Team Safeguarding Procedures	A systems review of the operational procedures within the Disability Team for dealing with safeguarding issues in accordance with Safeguarding policy/procedure.	Medium
<b>Public Health</b>		
Safeguarding for Children and Adults	In-year coverage of specific areas will be determined in liaison with the Head of Service – Safeguarding Children and Adults and/or operational Heads of Service.	High
Budgetary Control Arrangements (Ring Fenced Public Health Budgets)	A high level review of the budgetary control framework in operation within Public Health to ensure robust and appropriate procedures are in place to manage ring fenced budgets effectively and in accordance with Financial Procedure Rules.	High
Independent Reviewing Officer Statutory Role (Looked After Children)	A review of the effectiveness of the procedures and processes operated by IROs to ensure that statutory requirements are appropriately met.	High
Transformational Fund	A systems review of the Transformational Fund Scheme to assess the adequacy of key controls and operation procedures in place to ensure that funding has been granted and utilised in accordance with its intended purpose and has achieved expected outputs / outcomes.	Medium
<b>Community Wide</b>		
Electronic Social Care Record	A follow on review from the 2013/14 review of Electronic Social Care Record – Information@Work, of compliance with relevant policy and legislation regards retention, use and sharing of personal information held within the ESCR solution relating to service users e.g. Retention and Destruction Policy, Information Governance and Data Protection.	High
CareFirst Finance Processes	A review of the adequacy of key procedures, internal controls and compliance with Constitutional Financial Rules and specifically the financial procedures laid down for CareFirst.	High

## Education and Enterprise: Internal Audit Plan for the period 1 April 2014 to 31 March 2015

Auditable Area	Purpose	Risk Category
<b>Partnerships, Economy and Culture</b>		
Growth Factory	A review of the governance and monitoring arrangements for the administration of Growth Factory Regional Growth Fund funding where the Council is acting as the accountable body.	High
WVOne - Management of Business Improvement District (BID)	A review of the governance and monitoring arrangements for WVOne's management of the BID.	Medium
<b>Regeneration</b>		
City Centre Development	A review of the contract management and governance arrangements in respect of the City Centre development.	High
i54 - Project Closure	A review of the i54 project closure arrangements.	High
Tenant Management Organisations (TMOs)	A review of the Council's arrangements for the management/monitoring of TMOs.	High
Wobaston Road Expansion	A review of the contract monitoring arrangements and compliance with Local Pinch Point Funding grant conditions for works at Wobaston Road.	Medium
A41 Bilston Road Improvements	A review of the contract monitoring arrangements in respect of the A41 Bilston Road works funded through the Local Sustainable Transport Fund (LSTF).	Medium
<b>Learning and Achievement</b>		
Wolverhampton Schools' Improvement Partnership (WSIP)	A review of WSIP's management and financial arrangements where the Council acts as the company's supervising authority.	High
BSF - Collective Partnership Targets (CPTs)	A review of the arrangements for monitoring the Collective Partnership Targets (CPTs) as per the BSF Strategic Partnering Agreement.	High
Outreach Services - Special Schools	A review of the administration of Outreach Services in Special Schools.	Medium
City of Wolverhampton College - Learners with Learning Difficulties and/or Disabilities Post 16	A review to check compliance with eligibility and funding criteria as stipulated in the Service Level Agreement between the Council and the City of Wolverhampton College.	Medium
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 Nursery, Primary, Secondary and Special Schools, and Pupil Referral Units (PRU) to ensure coverage of all Local Authority maintained schools within Wolverhampton.	Medium

## Delivery and OCE: Internal Audit Plan for the period 1 April 2014 to 31 March 2015

Auditable Area	Purpose	Risk
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.		
General Ledger Budgetary Control Payroll Sundry Debtors (including Domiciliary Care) Creditors Local Taxes (Council Tax and NNDR) Treasury Management Housing Benefits Capital Expenditure Housing Rents	A review of the high-level system controls - 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.  <b>Agresso system</b> As many of these areas are fundamental within the new FutureWorks Agresso system, they will form a key part of the work of internal audit during 2014/15. This will include not only a detailed full systems review undertaken on all systems replaced by the new Agresso System, but will also include representation on the board, attendance at workshops, in-year targeted testing and ongoing consultancy and advice.	N/A
The following grant certifications etc. will be undertaken, including where appropriate the use of established performance indicators and compliance with the grant conditions.		
Grant Certification Process: <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> <li>• Carbon Reduction Credits (CRC) Assurance Statement</li> </ul>	A review of compliance with the various grant and/or legislative requirements regarding these returns.	N/A

Auditable Area	Purpose	Risk
<b>FutureWorks</b>		
Agresso - Post Implementation Review (end of May 2014)	To provide on-going assurance to the Project Executive and Board around the implementation of the new shared service system. The purpose of this review will be to identify good practice and lessons learnt which can be incorporated into future projects.	High
Agresso - Self Service Roll-Out (end of October 2014)	To provide assurance that the roll-out of self service is in accordance with the project's implementation plans.	High
<b>Procurement</b>		
Implementation of Procurement Code and Board	To provide consultancy and assurance to the Board that the procurement code has been implemented in accordance with agreed protocols and procedures.	High
E-Tendering (Due North) - Compliance Review	To provide an assurance and compliance review that all tendered contracts let by the Council are administered via the new e-tendering system (Due North).	Medium
ICT Contract Procedures and Processes	To provide assurance that all ICT contracts are procured in accordance with the Council's Procurement Rules.	Medium
<b>Human Resources</b>		
Employee Performance Appraisal Scheme	To provide half yearly compliance reviews to ensure that managers of the Council are undertaking performance appraisal reviews.	High
Single Status - Collective Agreement Compliance	To provide on-going consultancy and compliance reviews to ensure all employees on NJC terms and conditions are complying with the Council's collective agreement.	High
Equal Pay Claims	To provide on-going consultancy in respect of the on-going risks associated with equal pay claims against the Council. Audit work provides on-going assurance to the Project Executive/Section 151 Officer.	High
<b>Financial Services</b>		
Grant Accounting Arrangements	To provide a high level systems review of grants received by the Council to ensure they are accounted for and assurance that the appropriate funding terms are being complied with.	Medium
Debt Management Processes	To assess progress made against recommendations made as part of an external review of debt recovery processes.	Medium
Council Tax Reduction Scheme	To provide a systems and consultancy review around the proposed changes to Council Tax. These include the new localised Council Tax Support System and the revised discounts following the technical reforms to Council Tax.	Medium

Auditable Area	Purpose	Risk
<b>Central Services</b>		
FutureSpace Programme	To provide on-going consultancy and advice around the programme. It is proposed that Audit Services will have representation on the programme and undertake focussed reviews as a result of establishing an assurance framework.	High
Carbon Reduction Credits (CRC) - Annual Assurance Review	A review of the management systems in place for capturing all CRC information to allow the compilation of the annual assurance report.	High
Resilience Management (Emergency Planning & Business Continuity)	To provide focussed reviews of resilience management in order to meet the requirements of the Council's Resilience Management Board.	High
ICTS - Desktop Asset Management Review	This review is aimed to provide assurance that the Council has robust systems and processes in place to account for IT assets. The review will also focus on the arrangements in place for assessing the compatibility of current assets with new systems.	Medium
Elections Payroll	To provide assurance that payments to elections staff are processed in accordance with HMRC's Real Time Information requirements.	Medium
<b>City Services</b>		
Street Lighting - Capital Programme	To review the process of identifying capital schemes, costing requirements and delivery of work to ensure value for money is achieved.	Medium
Civic Centre Parking	To provide quarterly monitoring reviews of Civic Centre stamp usage in order to assurance that stamps are being used and administered in accordance with agreed procedures.	Medium
Pest Control Procedures	To review the end to end process for pest control work performed by the Council. This will include logging procedures, allocation of workloads, and the associated charging processes.	Medium
Street Cleansing - Investigation of Fly-tipping Incidents	To provide a consultancy based review in terms of the efficiency around the investigation of fly-tipping incidents identified and reported by Street Scene operatives.	Medium
Administration of Swimming Lessons	To review the processes and procedures for the booking and allocation of swimming lessons at all of the Council's wet side facilities. The purpose of this review is to ensure the Council is maximising its income in respect of this particular area.	Medium
Fit Card Scheme	To provide a focussed review of the Council's Fit Card Scheme with particular focus around the annual renewal process. The purpose of this review is to ensure cards are not being used fraudulently and customers are being charged correctly based on the current status of their membership.	Medium
Fleet Management - Hire and Replacement of Vehicles	To provide a high level review around the process for the hire and replacement of vehicles on the Council's fleet. The audit will focus on the business cases and approval mechanisms currently in place.	Medium

Auditable Area	Purpose	Risk
<b>OCE</b>		
Information Governance - Compliance Support	To provide ongoing advice and support in order to provide assurance that the Council is meeting its Information Governance obligations.	High
Information Governance - Information Sharing Agreements	To review the systems and procedures in place to ensure that agreements are in place prior to sharing information with other external organisations.	High
Information Governance - Protective Marking Compliance	To provide a compliance monitoring review to ensure that the organisation is complying with its protective marking obligations.	High