

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**AUDIT AND GOVERNANCE COMMITTEE – 19 APRIL 2011**

Title of report	<b>INTERNAL AUDIT PLAN 2011/12 - 2014-15</b>
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Purpose of report	To inform the Audit and Governance Committee of the proposed Internal Audit work plan for 2011/12 - 2014-15
Reason for Decision	To comply with the Code of Practice for Internal Audit in Local Government in the United Kingdom 2006.
Strategic aims	Organisational Development
Implications:	
Financial/Staff	None
Link to relevant CAT	None
Risk Management	The Internal Audit planning process is based on risk assessment methodology
Equalities Impact Assessment	Not Applicable
Human Rights	None
Transformational Government	Not Applicable
Consultees	Corporate Leadership Team Audit Commission – External Auditors
Background papers	CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006

Recommendations	<b>THAT THE COMMITTEE APPROVES THE AUDIT PLAN FOR 2011/12.</b>
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## **1.0 INTRODUCTION**

- 1.1 This report is to notify members of the Internal Audit Plan for 2011/12 – 2014/15.

## **2.0 BACKGROUND**

- 2.1 The guidance given in the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 is seen to be proper and best practice in relation to Internal Audit and defines the way in which Internal Audit should undertake its functions. The Code of Practice requires a risk based plan that is informed by the organisation's risk management, performance management and other assurance processes.
- 2.2 The Audit Plan Report, which is attached as Appendix 1, details the audit plan for approval.

## **3.0 REVENUES AND BENEFITS SHARED SERVICES UPDATE**

- 3.1 On the 15 February, Cabinet endorsed the decision for a joint Revenues and Benefits Shared Service. The other authorities in the shared service are Hinckley and Bosworth Borough Council (HBBC) and Harborough District Council (HDC). HBBC is the lead authority. Cabinet also approved the formation of a joint committee to provide democratic accountability for the shared arrangement. Three members of the Cabinet/Executive from each authority will make up the membership of the Joint Committee.



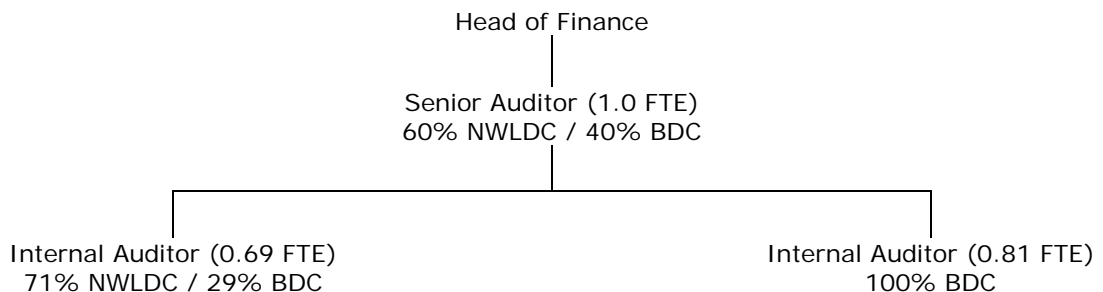
# INTERNAL AUDIT PLAN 2011/12-2014/15

## 1. INTRODUCTION

- 1.1 The guidance given in the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 is seen to be proper and best practice in relation to Internal Audit and defines the way in which Internal Audit should undertake its functions. The Code of Practice requires a risk based plan that is informed by the organisation's risk management, performance management and other assurance processes.

## 2. INTERNAL AUDIT SECTION

- 2.1 With effect from April 2011, Internal Audit has been operating a shared service with Blaby District Council (BDC). All of the staff for the function are employed by NWLDC and the new structure for the service is detailed below.



## 3. INTERNAL AUDIT PLAN

- 3.1 Internal Audit has produced a draft forward plan as attached as Appendix A. The plan details the proposed internal audit work to 2014/15. Each audit has been assigned a frequency for being carried out. Audits will be carried out every 1, 2, 3, or 4 years. This frequency has been based, where appropriate, on statutory requirements or in relation to risk. Risk will be assessed on the results of previous audits in that area and/or the impact on service delivery to customers and financial implications.
- 3.2 Based on past performance each audit has been assigned a number of days to be completed and has been timetabled into which quarter of the year it is proposed to be completed. This plan will enable the Internal Audit function and services within the council to better plan their work. It will also allow the Audit and Governance Committee to monitor the performance of the Internal Audit function.
- 3.3 A contingency has been built into the plan to allow for ad-hoc reviews which may be required or for additional work on planned audits to be completed. Allowance for follow-up reviews has been built into the plan.

- 3.4 It should be noted that this plan is flexible in order to accommodate the needs of the council, however, variances against the plan and any actions required in order to deliver the plan will be reported to the Audit and Governance Committee on a quarterly basis as part of a regular progress report.
- 3.5 An internal audit of the ICT is to be carried out during 2011/12 by Leicestershire County Council's IT Audit section. This is in addition to the work of the council's internal auditors due to the specialist knowledge and technical nature of this area of work.
- 3.6 The Revenues and Benefits Section has become a shared service with Hinckley Borough Council and Harborough District Council. The audit of the Council Tax, Non Domestic Rates and Housing Benefits systems will be undertaken by RSM Tenon as part of a joint audit for the new service.

**APPENDIX A**

**INTERNAL AUDIT PLAN 2011/12 – 2014/15**

		Frequency	2011/12 Qtr	2011/12 Days	2012/13 Days	2013/14 Days	2014/15 Days
<b>Main Systems</b>							
Finance	Capital Accounting	1	1	3	3	3	3
Finance	Cash and Bank	1	2	8	8	8	8
Finance	Creditors	1	4	8	8	8	8
Finance	Debtors	1	3	8	8	8	8
Finance	Main Accounting	1	3	10	10	10	10
Finance	Payroll	1	2	10	10	10	10
Finance	Treasury Management	1	4	8	8	8	8
Housing & Customer Services	Rent Accounting	1	4	10	10	10	10
				<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>
<b>Non Main Systems</b>							
Community Services	Ashby TIC	3	-	-	5	-	-
Community Services	Car Parking	1	2	8	8	8	8
Community Services	Leisure Centres	2	-	-	14	-	14
Community Services	Licensing	1	3	8	8	8	8
Community Services	Trade Waste	2	1	8	-	8	-
Finance	Annual Governance Statement	1	1	3	3	3	3
Finance	Commercial Rents	2	1	10	-	10	-
Finance	ICT Back Up Controls	1	3	2	2	2	2
Finance	Petty Cash, Floats and Inventories	4	-	-	-	-	5
Housing & Customer Services	Performance Indicators	1	1	4	4	4	4
Human Resources	Strategic Risk Register	1	4	10	10	10	10
Planning & Engagement	Development Control	2	2	8	-	8	-
Planning & Engagement	Building Control	2	-	-	8	-	8
				<b>61</b>	<b>62</b>	<b>61</b>	<b>62</b>

		Frequency	2011/12 Qtr	2011/12 Days	2012/13 Days	2013/14 Days	2014/15 Days
<b>Other</b>							
	Admin, Management & Meetings			25	25	25	25
	Annual Review of Internal Audit			3	3	3	3
	Audit Committee			10	10	10	10
	Audit Plan			5	5	5	5
	Contingencies			25	25	26	25
	Follow up of Recommendations			15	15	15	15
	National Fraud Initiative			10	10	10	10
	Policies and Procedures			5	5	5	5
	Revenues and Benefits			6	6	6	6
				<b>104</b>	<b>104</b>	<b>105</b>	<b>104</b>
				<b>230</b>	<b>231</b>	<b>231</b>	<b>231</b>

Frequency

- 1 – Every year
- 2 – Every 2 years
- 3 – Every 3 years
- 4 – Every 4 years