

EMT – 12 MARCH 2013
AUDIT COMMITTEE – 21 MARCH 2013

INTERNAL AUDIT CHARTER, ASSURANCE FRAMEWORK AND INTERNAL AUDIT PLAN 2013/14

1 Introduction

- 1.1 The purpose of this report to outline the Internal Audit Charter, Assurance Framework, Internal Audit Plan for 2013/14 and the work year plan to 2017.
- 1.2 The main functions of the Internal Audit Charter, Assurance Framework and Audit Plans are to ensure the work of internal audit;
- supports the Council by underpinning the Section 151 Officer's financial responsibilities
 - supports the Annual Governance Statement signed by the Leader of the Council and the Chief Executive Officer
 - has clear objectives, standards and ethical working
 - has a defined "control environment" on which assurance is given
 - assesses where assurance can be provided by other bodies
 - is defined within a work programme which can be monitored for performance

2 Internal Audit Charter

- 2.1 On 1 April 2013, the Public Services Internal Audit Standards (PSIAS) comes into force and supersedes the current CIPFA Code of Practice for Internal Auditors. The development of the PSIAS was through the Relevant Internal Audit Standard Setters, seven organisations including CIPFA, the Chartered Institute of Internal Auditors (CIIA) and HM Treasury.
- 2.2 The PSIAS is applicable to all areas of the UK public sector and is based on the CIIA's International Professional Practices Framework.
- 2.3 The key areas for the Committee to note are;
- a) The internal audit activity is formally defined in an Internal Audit Charter. The Charter must be periodically reviewed and approved by the "Board" (Audit Committee).
 - b) There is a requirement to define Internal Auditing, ensuring there is compliance with the Code of Ethics as well as stated Attribute and Performance standards. If there were to be non compliance this would be reported to the Executive Director (S151) and Audit Committee.
 - c) To comply with the specific local government requirements as outlined in the PSIAS.
- # 2.4 The Internal Audit Charter (Appendix 1) has been approved by the Head of Customer & Financial Services, the Executive Director (S151) and EMT.
- 2.5 The Council's Financial Regulations are currently being reviewed for update. The Internal Audit section of the Regulations will be updated to refer to the PSIAS.

3 Assurance Framework

- # 3.1 The purpose of the Framework is to identify how the Council satisfies itself, with confidence, if it is operating effectively. The Assurance Framework is attached in Appendix 2.

- 3.2 The key use for the framework is to inform the Annual Governance Statement. However it has also been used to;
- Identify potential gaps or duplication in assurances
 - To define the control environment on which the Internal Audit Manager's opinion is given
 - To help inform the annual internal audit planning process
 - To inform the Audit Committee in their role in providing an independent assurance to the Council on the effectiveness of the Council's governance arrangements, risk management framework and internal control environment.

4 **Internal Audit Plan 2013/14 and Work Plan to 2017**

- # 4.1 The Internal Audit Plan 2013/14 (Appendix 3) is compiled from the risk scored audit universe and local factors as recorded in the Internal Audit Charter. The audit plan 2013/14 has been approved by the Executive Director (S151).

- 4.2 The audit plan covers the following areas;
- Key Financial audits, these are systems which could have a material impact on the Councils' Statement of Accounts and are included annually
 - Other risk based service or operational areas
 - ICT audit
 - Procurement / Contract Management
 - Governance
 - Counter Fraud
 - Project/Consultancy/Advisory time
 - Fee earning work
 - Contingency time
 - Audit Management and Staff training and development time

And has been detailed further to show where key assurances will be covered.

- # 4.3 Appendix 4 details the draft work plan to 2017. This demonstrates that all auditable areas are audited at least once over a 4 year period. Timing is based on the risk of the auditable area but this will be reviewed at least annually.

- 4.4 Fee earning work is estimated to be £42,500 for 2013/14. This partnership work provides for the NFDC Internal Audit team to act as the Internal Auditor for two local Town Councils and the New Forest National Park Authority through an S LA. There will also be the continuation of a management role to East Dorset DC, Christchurch BC, North Dorset DC and Purbeck DC.

- 4.5 Internal Audit works closely with the external auditor, Ernst & Young. It has been agreed that Internal Audit will continue to undertake the Benefit grant claim work. This work has been extended to cover all elements of the benefit work and additional testing for the NNDR claim. It is estimated that this will save external audit fees of approximately £40,000 - £45,000.

5.0 **FINANCIAL IMPLICATIONS:**

- 5.1 There are no financial costs arising directly arising from this report. The audit plan has been compiled following a risk assessment to help limit the risk of financial loss. The additional fee earning work and potential savings on external audit fees are detailed within section 4.

6.0 EQUALITY & DIVERSITY AND ENVIRONMENTAL MATTERS:

6.1 There are no equality and diversity or environmental matters directly associated with this report.

7.0 CRIME & DISORDER IMPLICATIONS:

7.1 There are no direct crime and disorder implications arising from this report, however these documents do consider the risk of criminal activity.

8.0 RECOMMENDATIONS:

8.1 It is recommended that the Audit Committee approves;

1. Internal Audit Charter
2. Assurance Framework
3. Internal Audit Plan 2013/14
4. Four year work plan

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INTERNAL AUDIT CHARTER FOR NEW FOREST DISTRICT COUNCIL

Introduction

The Internal Audit Charter describes the purpose, authority and responsibility of the internal audit activity. The charter is reviewed at least annually by the Internal Audit Manager and approved by the Executive Director (Section 151 Officer) and the Audit Committee (Board).

The charter is split into the following sections;

1. Regulatory basis for Internal Audit
2. Definition of Internal Auditing
3. Scope and Objectives of Internal Audit
4. Reporting Lines and Authority within the Council
5. Independence and Objectivity including Code of Ethics
6. Resourcing and Quality Standards
7. Standards in Audit Delivery and Management

Regulatory basis for Internal Audit

The requirement for an Internal Audit function is contained in Regulation 6 of the Accounts and Audit Regulations. Internal Audit also assists the Section 151 Officer in discharging their delegated responsibilities under Section 151 of the Local Government Act 1972.

The internal audit activity governs itself by adherence to Public Sector Internal Audit Standards (PSIAS).

The regulatory basis is recorded within the Council's Constitution, within Financial Regulations.

Purpose, Authority and Responsibility (Standards 1000 and 1010)

Purpose (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 issues.

Scope and Objectives

1. To review, appraise and report on the adequacy of internal controls across the whole organisation (Control Environment) as a contribution to the proper, economic, efficient and effective use of resources. This includes;
 - a. the completeness, reliability and integrity of information, both financial and operational
 - b. the systems established to ensure compliance with policies, plans, procedures, laws and regulations
 - c. the extent to which the assets and interests are accounted for and safeguarded from loss
 - d. the economy, efficiency and effectiveness with which resources are employed and
 - e. whether operations are being carried out as planned and objectives and goals are being met.
2. To promote Good Governance arrangements and monitor progress made against governance actions
3. To support the risk management process within the Council

4. To advise on internal control implications on new systems
5. To support in relevant corporate or service projects
6. To add value through advice, facilitation and training (subject to there being no impact on the core assurance work, maintaining independence and availability of skills and resources).
7. Provide a quality fraud investigation service and
8. Support the work of the Audit Committee

The control environment is detailed within the Assurance Framework. The detailed work of internal audit is set out within the risk based internal audit plan which is designed to support the Annual Internal Audit Opinion and Council's Annual Governance Statement.

Reporting Lines and Relationships

The Internal Audit Manager (IAM) reports to the Head of Customer and Financial Services for day to day operations, there is also a direct line to the Section 151 Officer. This enables Internal Audit to remain independent of any service and therefore in its planning and operation.

Internal audit has access to the;

- Chief Executive
- Monitoring Officer
- Members including specifically the Chair of the Audit Committee
- all levels of management and
- other Council employees as necessary

CIPFA has published "The Role of the Head of Internal Audit in Public Service Organisations". The IAM complies with these requirements in addition to those set out in the PSIAS.

Authority

Internal Auditors have the authority to;

- enter any Council premises or land at any reasonable time, subject to any statutory requirements;
- have access to all records and documents concerning any past or prospective financial transaction of the Council;
- require, and receive, any necessary explanations concerning any matter under examination;
- require any employee of the Council to produce any of the Councils' property or asset under their control.

Independence and Objectivity (Standards 1100, 1110, 1111, 1120 and 1130)

Code of Ethics

All Internal Auditors comply with the Chartered Institute of Internal Auditors (CIIA's) Code of Ethics. Where members of the Internal Audit team have attained membership with other professional bodies such as: the ICAEW or CIPFA, those officers also comply with their relevant

bodies' ethical requirements. In addition to this, all Internal Auditors have regard to the Standards of Public Life's "Seven Principles of Public Life". (www.public-standards.gov.uk)

Each member of the team signs an annual declaration to confirm that they work in compliance with the Code of Ethics as well as Council standards and policies. Where potential areas of conflict may arise during the year, the auditor would disclose this. Auditors maintain high standards of integrity, independence, objectivity, confidentiality and competence.

If an Internal Auditors' conduct did not comply with these standards or codes, disciplinary action may be taken.

Further Standards and Independence

Independence is always maintained to enable Auditors to make impartial, objective and effective professional judgements and recommendations. Audit staff do not have any operational responsibilities.

The IAM reports annually to the Section 151 Officer and to Audit Committee that independence and objectivity has been maintained. If this is not the case, disclosure will be made.

Internal Audit Resource Management, Proficiency and Due Professional Care (Standards 1200, 1210, 1220 1230 and 2030)

Resource Management (Standard 2030)

The team is appropriately staffed in terms of numbers, professional qualifications, skills and experience. Resources are effectively deployed to achieve the approved risk based plan. Any concerns over resourcing would be reported to the Section 151 Officer and the Audit Committee.

Employment of staff is in compliance with HR policies. External resources will be procured in line with the Council's Financial Regulations and Standing Orders and to Contracts policy, if the need were to arise.

Proficiency (Standard 1210)

The IAM holds a professional qualification and is suitably experienced. Each job role within the internal audit structure details skills and competencies within the approved job description and person specification. In line with New Forest District Council Policy and the PSAIS, each member of the team is assessed against these predetermined competencies and annual objectives. Any development and training plans are regularly reviewed, monitored and agreed with officers. This assessment takes into account competency changes ie. to reflect changing technology and legislation.

Auditors maintain a record of their continual professional development in line with their professional body. (Standard 1230)

Due Professional Care (Standard 1220)

Internal auditors exercise due professional care by considering the:

- Extent of work needed to achieve the engagement's objectives;
- Relative complexity, materiality or significance of matters to which assurance procedures are applied;
- Adequacy and effectiveness of governance, risk management and control processes;
- Probability of significant errors, fraud, or non-compliance; and
- Cost of assurance in relation to potential benefits.

Considering various data analysis techniques and being alert to significant risks that may affect the objectives.

Quality Assurance and Improvement Programme (Standards 1300, 1310, 1311, 1312, 1320, 1321 and 1322)

A Quality Assurance and Improvement Programme (QAIP) has been developed to enable assessment of Internal Audit's compliance with the PSIAS, to aid in the annual assessment of Internal Audit's efficiency and effectiveness and identify opportunities for improvement. The QAIP includes both internal and external assessments (Standard 1310)

Assessment against QAIP forms part of the annual assessment of the effectiveness of internal audit (contained within the Annual Auditors Report) which is published to the Section 151 Officer, Executive Management Team and Audit Committee. (Standard 1320)

Where there are instances of non compliance this is reported. Any significant deviations will be detailed within the Annual Governance Statement. (Standard 1322)

Internal Assessment (Standard 1311)

All Auditors have access to an up to date electronic audit manual, the Internal Audit Charter, Council policies, the PSIAS as well as other references such as TIS Online. In addition the IAM shares journals, publications and other relevant articles. Where staff are members of bodies such as the CIIA further guidance is available to them.

To maintain quality, work is allocated to staff with appropriate skills, competence and experience. All levels of staff are supervised. Work is monitored for progress, assessed for quality and to allow for coaching. (Linked to standard 2340)

Targets are agreed with the Section 151 Officer and the Audit Committee.

In addition to the QAIP, progress made against the annual audit plan and any emerging issues (i.e. fraud risks or governance issues) are reported regularly to Section 151 Officer, Executive Management Team and the Audit Committee. (Linked to standard 2060)

Ongoing assessment of individuals is carried out through regular one to one meetings, stakeholder feedback from post audit questionnaires and formally in the annual appraisal process.

External Assessment (Standard 1312)

An external assessment will be carried out at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The preferred method of delivery is through self assessment, with and independent validation from a peer review (providing there is no conflict of interest and impairment to objectivity in this arrangement).

The arrangement and scope is agreed with the Section 151 Officer and Audit Committee and the Independent Assessor.

Performance Standards (Standards 2000, 2010, 2020, 2030, 2040, 2050, 2060 and 2070)

In order to give an evidenced based opinion there is a minimum level of coverage required. When planning the work of internal audit, assurances provided by third parties can be considered.

Planning (Standard 2010)

A risk based audit plan, which can be updated to reflect changing risks and priorities of the Council is used to enable the production of the annual internal audit opinion.

The risk based audit plan, considers both National (i.e. economic climate) and Local issues (corporate plan, service action plans, Medium Term Financial Plan, risk registers and discussions with Heads of Services and the Executive Management Team).

A risk assessment of the “Audit Universe” is undertaken by scoring a number of factors, which are weighted to give an overall score which dictates how often the area should be reviewed. (This assessment and model considers the size of the area, the control environment and Inspection regimes).

The plan considers;

- the need for specialist auditor skills,
- the balance of the range of reviews and sufficient coverage to ensure that External Audit can place reliance on the work of Internal Audit
- Contingency time for ad hoc reviews or fraud investigations
- Sufficient time for audit management including audit planning, development of the annual opinion and attendance at meetings and maintenance of audit policies and procedures (Standard 2040)
- Staff training and development needs
- Liaison time with other assurance providers to share information (standard 2050), such as the External Auditor. The plan considers the details within the Joint Working Protocol.
- Assurances provided by other bodies (see Assurance Framework)

The risk based audit plan and resource requirements is approved by the Section 151 Officer, Executive Management Team and the Audit Committee.

Nature of Work (Standards 2100, 2110, 2120 and 2130)

Governance (Standard 2110)

Internal audit assesses and makes appropriate recommendations for improving the governance process in its accomplishment of the following objectives:

- Promoting appropriate ethics and values within the organisation;
- Ensuring effective organisational performance management and accountability;
- Communicating risk and control information to appropriate areas of the organisation; and
- Coordinating the activities of and communicating information among the board, external and internal auditors and management.

Specifically internal audit;

- evaluates the design, implementation and effectiveness of the organisation’s ethics-related objectives, programmes and activities
- assesses whether the information technology governance of the organisation supports the organisation’s strategies and objectives

Risk Management (Standard 2120)

Internal audit evaluates the effectiveness and contributes to the improvement of risk management processes.

The PSIAS requires Internal Audit to;

1. evaluate risk exposures relating to the organisation’s governance, operations and information systems regarding the:

- Achievement of the organisation's strategic objectives;
 - Reliability and integrity of financial and operational information;
 - Effectiveness and efficiency of operations and programmes;
 - Safeguarding of assets; and
 - Compliance with laws, regulations, policies, procedures and contracts.
2. address risk consistent with the engagement's objectives and be alert to the existence of other significant risks
 3. incorporate knowledge of risks gained from consulting engagements into their evaluation of the Council's risk management processes.
 4. assist management in establishing or improving risk management processes, but refrain from assuming any management responsibility by actually managing risks.

Control (Standard 2130)

Internal audit assists the Council in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement.

Internal audit evaluates the adequacy and effectiveness of controls in responding to risks within the Council's governance, operations and information systems regarding the:

- Achievement of the organisation's strategic objectives;
- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations and programmes;
- Safeguarding of assets; and
- Compliance with laws, regulations, policies, procedures and contracts.

Internal auditors must incorporate knowledge of controls gained from consulting engagements into evaluation of the Council's control processes.

Fraud

Whilst it is not a primary role of Internal Audit to detect fraud, it does have a role in providing an independent assurance on the effectiveness of the processes put in place by management to manage the risk of fraud. Internal Audit may;

- Investigate the cause of fraud
- Respond to whistleblowers
- Consider fraud in every audit
- Make recommendations to improve processes
- Review fraud prevention controls and detection processes put in place by management

Audit Delivery

Engagement Planning (Standards 2200, 2201, 2210, 2220, 2230 and 2240)

For each engagement, a brief is prepared, discussed and agreed with relevant managers. The brief details the objectives, scope and timing for the audit assignment and its resources and reporting requirements. Audit work is undertaken using a risk based audit approach, which considers the probability of significant errors, fraud and non compliance. Adequate criteria is needed to evaluate the nature of internal audit's work. Criteria can be extended to consider value for money assessments.

Performing the Engagement (Standard 2300, 2310, 2320, 2330 and 2340)

Auditors identify, analyse, evaluate and document information to achieve the engagement's objectives. This evidence supports their conclusions, professional judgements and recommendations and therefore must be factual and accurate. This data is held in compliance with the Councils' retention policies.

Communicating Results (Standards 2400, 2410, 2420, 2421, 2430, 2431, 2440 and 2450)

The results of all engagements are reported, including the objective, scope, all material facts, conclusions, recommendations, action plans, any limitations and where appropriate contain the internal auditors' opinion.

Table 1 provides the levels of opinion that can be provided with a short description;

Table 1

Opinion	Description
Substantial Assurance	Strong system of control designed and operating effectively. Any weaknesses found were low impact and do not significantly affect the key controls of the objectives of the system.
Reasonable Assurance	A sound system of internal control but minor weaknesses were found in the system design or compliance. Results would not have a material risk to the achievement of the system objectives.
Limited Assurance	Some weakness in the system of control designed or the level of compliance which result in risk to the achievement of system objectives.
No Assurance	Fundamental weaknesses have been identified such that many key controls are absent or not operating effectively which may put at risk the achievement of the corporate control objective.

Table 2 provides a description of the three priority levels given to recommendations, together with a expected timeframe for implementation; (The framework for scoring recommendations is contained within the audit manual).

Table 2

Priority	Description
High	Fundamental weakness which presents immediate risk. Requires urgent attention. Actions are monitored.
Medium	Significant control weakness where the risk is not imminent or only a moderate nature. Needs addressing but not urgent. Actions are monitored.
Low	The weakness or opportunity for improvement where the risk poses no great threat and is relatively minor. Action is only recommended for consideration. Actions followed up six monthly up or on next audit (whichever is the sooner).

Contents of draft reports are discussed with managers for factual accuracies. It is important to bring significant issues to the attention of management during the course of engagement to allow for immediate action.

Managers are required to give responses to each recommendation, detailing the responsible officer for each action and the target date for completion. Where there is disagreement over the actions to be taken, this is recorded in the action plan with the residual risks highlighted. Where these risks are

deemed to be high, they are reported to the Section 151 Officer, Executive Management Team and the Audit Committee and that risk registers are updated where relevant.

Internal Audit reports are available to the public, however no personal data is disclosed in compliance with the Data Protection Act.

Overall Opinions (Standard 2450)

The annual Internal Auditors report is prepared by the IAM. This opinion is used to inform the Annual Governance Statement. This report concludes on the overall adequacy and effectiveness of the Councils' framework of governance, risk management and control giving an overall opinion, summary of the work undertaken to support this opinion (including any reliance place on work by other assurance providers), a statement on the compliance with the PSIAS, the results of the QAIP and any external assessors improvement recommendations and any disclosure of any impairments or limitations. If an unfavourable opinion is given, the reasons for this will be given.

Monitoring Progress (Standard 2500) and Communicating Unacceptable Levels of Risk (Standard 2600)

Internal Audit tracks progress made on all recommendations. It is the responsibility of the manager to implement and provide relevant evidence of the agreed actions to Internal Audit. Any overdue high priority recommendations are reported to the Audit Committee.

The findings and follow up reviews inform future audit planning.

DRAFT ASSURANCE FRAMEWORK

Sources of Information	Information Description	
Internal Source - Internal Audit Reports	Findings, audit opinions and implementation of internal audit recommendations. Audit coverage from the approved internal audit plan which may cover; Fundamental audits, Other risk assessed operational systems, ICT, Procurement/Contract Audits & VFM. Further evidence may be sourced from; Fraud logs/registers and any associated control weaknesses identified or Audit/Corporate projects	Internal Audit Manager
Internal Sources from Services / Management	Governance - HoS Assurance Statements – HoS are asked to report any significant matters which could have an affect on the Council's governance arrangements or a risk that the Council will not achieve its' objectives	All HoS
	Governance - Results from review of Local Code of Good Governance / Corporate Governance issues / last years AGS recommendations	Monitoring Officer / Executive Director (S151)/ Internal Audit Manager
	Governance - Information Governance – arrangements in place to communicate up to date and accurate information for decision making. Reporting of breaches of policy.	Head of ICT / Head of Legal & Democratic Services
	Governance - General Council Minutes – that decisions are recorded accurately	Head of Legal & Democratic Services
	Governance - Annual Complaints report – to identify poor performance	Head of Legal & Democratic Services
	Risk Management – Corporate Policy and Registers reviewed and updated. Systems for update in place. Effective embedding into Council working. Service Action Plan risks monitored Operational risks monitored	Executive Management Team/ Heads of Service
	Health & Safety – policy and training in place. (Linked to Risk Management / Insurance and any HSE reviews)	Head of HR
	Business Continuity – effective plans in place for all critical activities, which have been tested	Performance Improvement Manager/ Heads of Service
	Financial Management – financial resilience, budget monitoring and financial decisions made by Committee	Executive Director (S151)
Performance Management – Adequate Business Planning including Corporate Plan, supported by a Delivery Plan and Service Action Plans. Performance is monitored through regular	Executive Management Team/ Heads of Service/	

	one to ones at all levels and performance against agreed targets is monitored. Exceptional achievements and results reported to Committee through the Annual Performance Report.	Performance Improvement Manager
	HR /Recruitment and Development / Service Reviews – right services being delivered with good management, strong Officer training and development practices. Link to financial ad performance management	Head of HR
	Asset Management – ensuring there are controls in place to utilise/manage Council assets. Link to procurement and capital spend decisions and contract management.	Head of Property Services
External Sources	<p>External Audit</p> <p>An inspection/regulatory agencies</p> <p>Other</p>	<p>Ernst & Young</p> <p>I.E. HSE, HMRC, ICO, DVLA, Foods Standards Agency, Planning Inspectorate, Government Code of Connect, Lexel, Gas Safe</p> <p>ie Peer reviews</p>

Audit Class and Titles	Allocated Time (Days)	Total Number of Days per audit class	% of Audit Class by Total Productive Time Allocated
Main Financial Audits		225	28%
Main Accounting System inc bank reconciliation	20		
Treasury Management	5		
Accounts Payable	15		
Accounts Receivable	15		
Income	15		
Payroll (inc NFNPA testing)	25		
Council Tax	20		
National Non Domestic Rates (inc Grant Claim testing for external audit)	20		
Benefits & Fraud Investigation (inc subsidy grant work for external audit)	65		
Landlord services (rents)	15		
Asset Management	10		
Assurance/Risk Based Service Areas		385	49%
IT Audit	15		
Procurement/Contract Management	30		
Information Governance	15		
Governance	15		
High value income streams, non key financials or grants (H&L and car parks)	20		
Real time checks on high risk expenditure streams (Payroll and Creditors)	20		
Leader (on third party behalf)	2		
Safeguarding	2		
Estate Management (non housing stock) Valuers & Hythe Market	15		
Building Works - Reactive	15		
Central Purchasing/Stores	15		
ICT Maintenance	15		
Environmental Health - Commercial	15		
Housing Needs/Homelessness/Housing Register/B&B	15		
Domestic Refuse - Waste and Recycling inc special collections and garden waste	15		
Parking & Enforcement	15		
Land Charges	15		
Highways & Traffic Management (HCC Agency Agreement)	15		
Trees (Council owned)	10		
Engineering Works	15		
Environmental Health - Pest Control	8		
Environmental Health - Dog Wardening	8		
Member Allowances & Expenses	5		
Sports and Play Development and Other Community Grants	15		
Partnerships (Assurance)	10		
Electoral Services	10		
Economic Development	10		
Forward Planning - Policy and Plans (inc S106/CIL)	10		
Community Safety & CCTV (Inc Anti Social Behaviour)	10		
Resident Involvement	5		
Other Work		180	23%
Counter Fraud; Policy review, training, prevention work, NFI overview, general monitoring tools	20		
Contingency time; for S151 requests or Investigations	20		
H&L Queries	10		
Projects/Consultancy work (Housing and Reactive)	50		
Advisory (Financial Regulations)	50		
Section 151 Officer support (Contract Waivers/AGS) and Follow ups	30		
TOTAL		790	100%

		% of total time
Total Number of days	1231	
Audit Management (inc Performance Management, Planning, Supervision/signing off of audits, Meeting and Committee attendance, annual reporting, liaison with external audit etc.) and Team training and development, office routine, meetings and Contingency	276	23%
Total Productive time	955	77%
External Audit Work (Town Councils, NFNPA and Dorset Partners)	165	13%
Total Productive time to allocate	790	64%

Internal Audit Plan Details 2013/14

Audit	Lead Service	Customer & Financial	Legal & Democratic	Planning & Transportation
Main Financial Audits				
Main Accounting System inc bank reconciliation	Customer & Financial	✓		
Treasury Management	Customer & Financial	✓		
Accounts Payable	Property			
Accounts Receivable	Customer & Financial	✓		
Income	Customer & Financial	✓		
Payroll (inc NFNPA testing)	Human Resources			
Council Tax	Customer & Financial	✓		
National Non Domestic Rates (inc Grant Claim testing for external audit)	Customer & Financial	✓		
Benefits & Fraud Investigation (inc subsidy grant work for external audit)	Customer & Financial	✓		
Landlord services (rents)	Housing			
Asset Management	Property			
Key Assurance Functions				
Risk Management	Human Resources	✓		✓
Financial Management	Customer & Financial	✓		✓
Performance Management	Human Resources	✓		✓
Asset Management	Property			
Information Governance	Human Resources	✓	✓	✓
Business Continuity	Human Resources	✓	✓	✓
Health & Safety	Human Resources	✓		
Human Resources/Recruitment & Development/Service Review	Human Resources	✓	✓	✓
ICT	ICT	✓		✓
Procurement / Contract Management	Property	✓		
Risk Based Service Reviews	Various	✓	✓	✓
Counter Fraud & Investigations		✓		
Projects/Advice/Support		✓	✓	✓
Total Days		410	15	25

Environment	Property	ICT	Communities & Employment	Public Health & Community Safety	Housing	Human Resources	Total Days
							20
							5
	✓						15
							15
							15
						✓	25
							20
							20
							65
					✓		15
	✓						10
✓	✓	✓	✓	✓	✓		10
✓	✓	✓	✓	✓	✓		15
	✓			✓	✓		10
✓	✓						5
✓	✓	✓	✓	✓	✓	✓	15
✓	✓	✓	✓	✓	✓	✓	10
✓	✓			✓		✓	10
✓	✓	✓	✓	✓	✓	✓	15
	✓	✓		✓	✓	✓	30
✓	✓	✓		✓			50
✓	✓	✓	✓	✓	✓	✓	215
						✓	40
✓	✓	✓	✓	✓	✓	✓	140
40	115	30	27	43	35	50	790

Auditable Areas	2013/14	2014/15	2015/16	2016/17
Key Financials				
Main Accounting System inc bank reconciliation	20	20	20	20
Treasury Management	5	5	5	5
Accounts Payable	15	15	15	15
Accounts Receivable	15	15	15	15
Income	15	15	15	15
Payroll (inc NFNPA testing)	25	25	25	25
Council Tax	20	15	15	15
National Non Domestic Rates (inc Grant Claim testing for external audit)	20	15	15	15
Benefits & Fraud Investigation (inc subsidy grant work for external audit)	65	60	50	50
Landlord services (rents)	15	15	15	15
Asset Management	10	10	10	10
Sub total of Key Financials	225	210	200	200
Annual Review				
IT Audit	15	15	15	15
Procurement/Contract Management	30	30	30	30
Information Governance	15	10	15	10
Governance	15	15	15	15
High value income streams, non key financials or grants (H&L and car parks)	20	20	20	20
Real time checks on high risk expenditure streams (Payroll and Creditors)	20	20	20	20
Leader (on third party behalf)	2	2	2	2
Safeguarding	2	2	2	2
Risk Assessed - 2 Yearly Reviews				
Communities & Employment				
Health and Leisure Centres		15		15
Property				
Estate Management (non housing stock) Valuers & Hythe Market	15		15	
Property Services (Housing and Non Housing Stock)		15		15
Building Works - Reactive	15		15	
Building Works - Planned		15		15
Central Purchasing/Stores	15		15	
Planning & Transportation				
Development Control (inc planning enforcement and appeals)		15		15
ICT				
Information and Communication Technology Services (includes Telephones)		15		15
ICT Maintenance	15		15	
Public Health & Community Safety				
Environmental Health - Environmental Protection		15		15
Environmental Health - Commercial	15		15	
Housing				
Housing Needs/Homelessness/Housing Register/B&B	15		15	
Housing Development inc Affordable Housing & Private Sector Leasing & Empty Properties		15		15
Environment				
Domestic Refuse - Waste and Recycling inc special collections and garden waste	15		15	
Commercial Waste and Recycling		15		15
Risk Assessed - 3 Yearly Reviews				
Customer & Financial				
Customer Services/Call Centre		10		
VAT			10	
Parking & Enforcement	15			15
Environment				
Street Cleansing			15	

Grounds Maintenance		15		
Planning & Transportation				
Building Control			15	
Land Charges	15			15
Property				
Engineering Design and Land Drainage		15		
Highways & Traffic Management (HCC Agency Agreement)	15			15
Environment				
Vehicle and Plant Maintenance		15		
Transport & Fleet Management System		15		
Trees (Council owned)	10			10
Clinical Waste			15	
Engineering Works	15			15
Keyhaven River, Moorings & Dinghy Park		15		
Beach Huts			10	
Housing				
Housing Improvements & Grants		10		
Public Health & Community Safety				
Environmental Health - Pest Control	8			8
Environmental Health - Dog Wardening	8			8
Licensing			15	
Human Resources				
Corporate Travel & Subsistence and Pool		10		
Member Allowances & Expenses	5			5
Insurance			15	
Communities & Employment				
Sports and Play Development and Other Community Grants	15			10
Risk Assessed - 4 Yearly Reviews				
Human Resources				
Human Resources (Assurance)			10	
Risk Management (Assurance)			10	
Performance Management (Assurance)		10		
Business Continuity & Emergency Planning (Assurance)			10	
Health and Safety (Assurance)			10	
Partnerships (Assurance)	10			
The Design Room & Communication				10
Legal & Democratic				
Legal Services (external Assurance provided)			10	
Data Protection / FOI /EIR / RIPA (Assurance)		10		
Electoral Services	10			
Democratic Services				10
Property				
Gas Servicing (external assurance provided)				10
Coastal & Regional Monitoring				10
Caretakers, Office Cleaning & Building Security (LTH and ATC)				10
Environment				
Public Conveniences		8		
Cemeteries and Amenities			10	
Car Loans		8		
Communities & Employment				
Economic Development	10			
Tourism VIC (Lyndhurst) & Destination Management & Marketing			8	
Tourism- Community and Environment			8	
Planning & Transportation				
Forward Planning - Policy and Plans (inc S106/CIL)	10			

Landscape and Open Space		10		
Conservation (listed/historic buildings) and Urban Design			8	
Customer & Financial				
Support Service inc post opening/scanning		8		
Public Health & Community Safety				
Community Safety & CCTV (Inc Anti Social Behaviour)	10			
Housing				
Housing Performance				8
Housing Helpdesk			8	
Resident Involvement	5			
Community Alarms/Lifelines				8
Counter Fraud to include; Policy review, training, prevention work, NFI overview, general monitoring tools	20	20	20	20
Contingency time; for S151 requests or Investigations	20	20	20	20
H&L Queries	10	10	10	10
Projects/Consultancy work	50	50	50	50
Advisory (Financial Regulations)	50	50	50	50
Section 151 Officer support (Contract Waivers/Annual Governance Statement)	30	30	30	30
Third Party Contracts	165	165	165	165
Audit Management (inc Performance Management, Planning, Supervision/signing off of audits, Meeting and Committee attendance, annual reporting, liaison with external audit etc) and Team training and development, office routine, meetings and Contingency	276	283	275	285
Total Audit Days	1231	1231	1231	1231