

Appendix A: Internal Audit Operational Plan – first quarter 2013-14

Set out below are the individual audits expected to be started in the first quarter of 2013-14.

This is subject to:

- Client or process availability and readiness for audit
- Internal Audit resources
- Urgent commissioned work.

Audit	Lead department	Audit area	Planned days	Scope	Notes
Significant Financial Systems	Financial Services	Significant Financial Systems	150	Review of key controls as identified by the external auditor. This will include the main ledger system and interfaces with significant financial feeder systems. It is expected to cover, among other things, journals, bank reconciliations, suspense accounts and feeder account reconciliations as well as essential controls in main systems such as debtors, creditors, and payroll.	External audit reliance by KPMG anticipated. Internal Audit must have completed its relevant work in time for that if the Council is to avoid criticism and possible supplementary fees. The high block allocation of days under this heading derives from the range of systems potentially covered. It will be made up of various smaller items. The actual total amount may vary depending on requirements and availability of information. Further work on main financial systems will also be undertaken later in the year.
IT General Controls	Information & Customer Access	IT audit	20	Access controls and user management for the main financial systems.	As above; main financial systems to be confirmed. This work may also be reviewed by KPMG in connection with their external audit work.
Email storage	Information & Customer Access	IT audit	20	The audit will look at the volumes of data being retained and seek to assess whether email is being used effectively, plus any VFM implications.	
InPhase BSM	Information & Customer Access	IT audit	5	IT general controls in new performance management system.	Audit overview of security and functionality.

Audit	Lead department	Audit area	Planned days	Scope	Notes
Schools Audit Annual Report for 2012-13	Children's Services	Schools	5	Review of 2012-13 schools audit findings, including a summary paper for publication on the Schools' Extranet.	
Schools Financial Value Standard (SFVS) Health-checks	Children's Services	Schools	20	Review of Schools Financial Value Standard (SFVS) self-assessment returns received from schools, including visits to a sample of schools to verify the quality and accuracy of the responses.	<p>To be done in the summer term whilst the information on the SFVS returns is still current. The number of schools covered will be determined after 31.3.13 from the returns actually received.</p> <p>A memo-style report is to be issued to each school visited and a summary report to Children's Finance.</p> <p>This audit and the next one will help to inform the annual statement on SFVS submitted by the Director of Finance to the DfE.</p>
Schools - Thematic Audit – Governance and Financial Management (Compliance with SFVS)	Children's Services	Schools	25	SFVS audits for sample of schools that did not submit an SFVS return by 31.03.2013.	<p>To demonstrate that the City Council as education authority is monitoring implementation of SFVS and taking this into account in their programme of audit.</p> <p>A report will be issued to each sample school.</p> <p>The number of schools covered will be determined after 31.3.13 from the returns actually received.</p>
Financial assurance for Maintained Schools with 6 th Form Funding	Children's Services	Schools	15	Verification of the completeness and accuracy of sixth form data returns at a sample school, particularly the sixth form pupil numbers, to ensure that only eligible pupils are funded.	<p>This is in fulfilment of a requirement of the Director of Finance in accordance with the associated grant return and use of funds statement.</p> <p>This work depends on the availability of information at the sample school.</p>

Audit	Lead department	Audit area	Planned days	Scope	Notes
Corporate Governance	Corporate	Corporate Governance	10	The assurance processes in place to determine compliance with the Council's Local Code of Corporate Governance and do so in a way that balances administrative efficiency with a robust and reliable assessment.	This follows a report to SMB 2.4.13 and Audit & Risk Committee 9.4.13 on the Council's assurance framework. It is intended to contribute towards a corporate overhaul of the process of preparing the Annual Governance Statement and report back to Audit & Risk Committee in time for the external auditor's planned work in August.
VfM audit of Regulatory Services Costs	CD&N	Value for Money	15	Review of the arrangements for recovering costs due from enforcement action and successful prosecutions by the various regulatory services.	Regulatory services including Planning, Building Control, Trading Standards and Environmental Health investigate suspected breaches of legislation and in some instances undertake prosecutions. If successful, the Council is usually able to claim its legal costs and the costs of the investigation process. There is a need for assurance that the arrangements in place for collecting all income due in respect of regulatory enforcement activity are operating effectively.
Property Services Contracts	CD&N	Contract audit	25	Review of contract arrangements within Property Services, with particular emphasis on contract management.	Property Services is a major service area with some high-value contracts, so there is a need to ensure that the arrangements for entering into and managing contracts are sound.
Contract Non-Compliance	Financial Services	Contract audit	20	The review will look at procedures in place for monitoring contracts and granting extensions and waivers.	There are concerns about the number of waivers being issued and the justification for them.

Audit	Lead department	Audit area	Planned days	Scope	Notes
LCC Bus Operators Grant	CD&N	Grant certification	15	Grant submission in line with the certification guidelines.	IA certification required as part of grant conditions. The first six-monthly return (October 2012 - March 2013) is due by the end of June 2013.
Growth Fund	CD&N	Grant certification	15	Grant submission in line with the certification guidelines.	The Council is the accountable body for this grant and has to submit the grant certification. The deadline is expected to be in mid-June.
EMAS	CD&N	EMAS	10	Two 'Level 3' EMAS establishment audits at locations to be decided based on risk. The focus is likely to be the management of waste. Internal Audit will also maintain a watching brief, with participation where needed, in the process of deciding on whether the Council wishes to continue with its EMAS accreditation.	This is a provisional allocation, to maintain EMAS audit in preparation for the external verification health-check visit by external verifiers LRQA in July. The policy decision on the Council's continued EMAS accreditation is anticipated by September.
		TOTAL	370		