Internal Audit

# Internal Audit Plan 2014-15

## Plymouth City Council
## Audit Committee

March 2014

devon **audit** partnership

Auditing for achievement

# Contents

| **Devon Audit Partnership** | **Confidentiality and Disclosure Clause** |
|---|---|
| The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay and Devon councils.  We aim to be recognised as a high quality internal audit service in the public sector.  We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals.  In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.<br><br>The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at robert.hutchins@devonaudit.gov.uk . | |

# Audit Framework

All principal Local Authorities, including Plymouth City Council, are subject to the Accounts and Audit Regulations 2003 (as amended), and the Accounts and Audit Regulations 2006 and 2011, which require that the Authority should make provision for Internal Audit. From April 2013, organisations in the UK public sector are required to adhere to the Public Sector Internal Audit Standards.

The Standards require that the Head of Internal Audit must "establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals". When completing these plans, the Head of Internal Audit should take account of the organisation's risk management framework. The plan should be adjusted and reviewed, as necessary, in response to changes in the organisation's business, risk, operations, programs, systems and controls. The plan must take account of the requirement to produce an internal audit opinion and assurance framework.

This audit plan has been drawn up, therefore, to enable an opinion to be provided at the end of the year in accordance with the above requirements

## Devon Audit Partnership

- **shared working across authorities**
- **in accordance with our internal audit charter**

Auditing          for          achievement

We will seek opportunity for shared working across member authorities. In shared working Devon Audit Partnership will maximise the effectiveness of operations, sharing learning & best practice, helping each authority develop further to ensure that risk remains suitably managed.

# Audit Needs Assessment

We employ a risk based priority audit planning tool to identify those areas where audit resources can be most usefully targeted.  This involves scoring a range of systems, services and functions across the whole Authority, known as the "Audit Universe" using a number of factors/criteria. The final score, or risk factor for each area, together with a priority ranking, then determines an initial schedule of priorities for audit attention.

## Audit Universe

### Transformat-ional Change

### Governance

## Audit Needs Assessment

### Risk Management Framework

### Directorate key objectives

## Core Assurance

### Key Financial Systems

### Fraud & Corruption
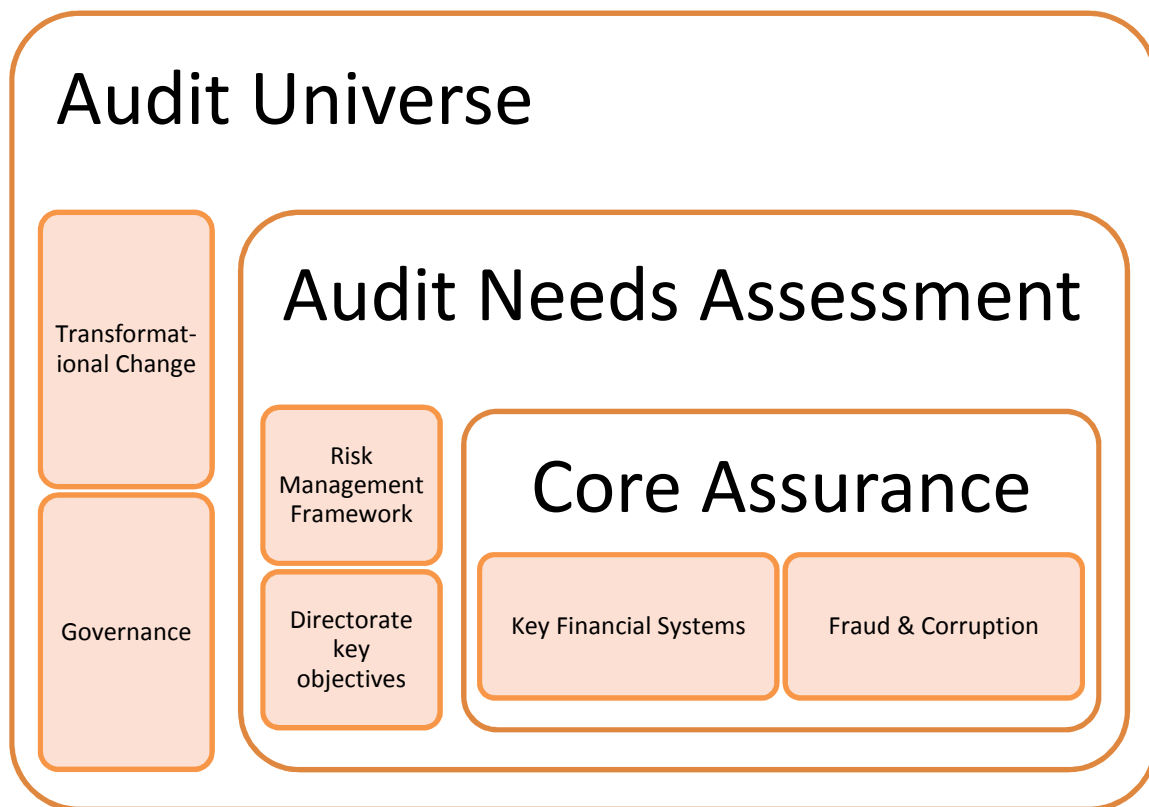
The resultant Internal Audit Plan for 2014/15 is set out in the high level plan and Appendix 1

The audit plan for 2014/15 plan has been created by:

**Consideration of risks identified in the Authority's strategic and operational risk registers**

**Review and update of the audit universe**

**Discussions and liaison with Directors and Senior Officers regarding the risks which threaten the achievement of corporate or service objectives, including changes and / or the introduction of new systems, operations, programs, and corporate initiatives**

**Taking into account results of previous internal audit reviews**

**Taking into account Internal Audit's knowledge and experience of the risks facing the Authority, including factors and systems that are key to successful achievement of the Council's delivery plans**

**Requirements to provide a "collaborative audit" approach with the external auditors**

# Consideration of the consequences of change

Change

Risk

reduced control framework

loss of key staff

budgetary constraint

ineffective service outcome

non-detection of error

increased fraud and irregularity

increased customer dissatisfaction
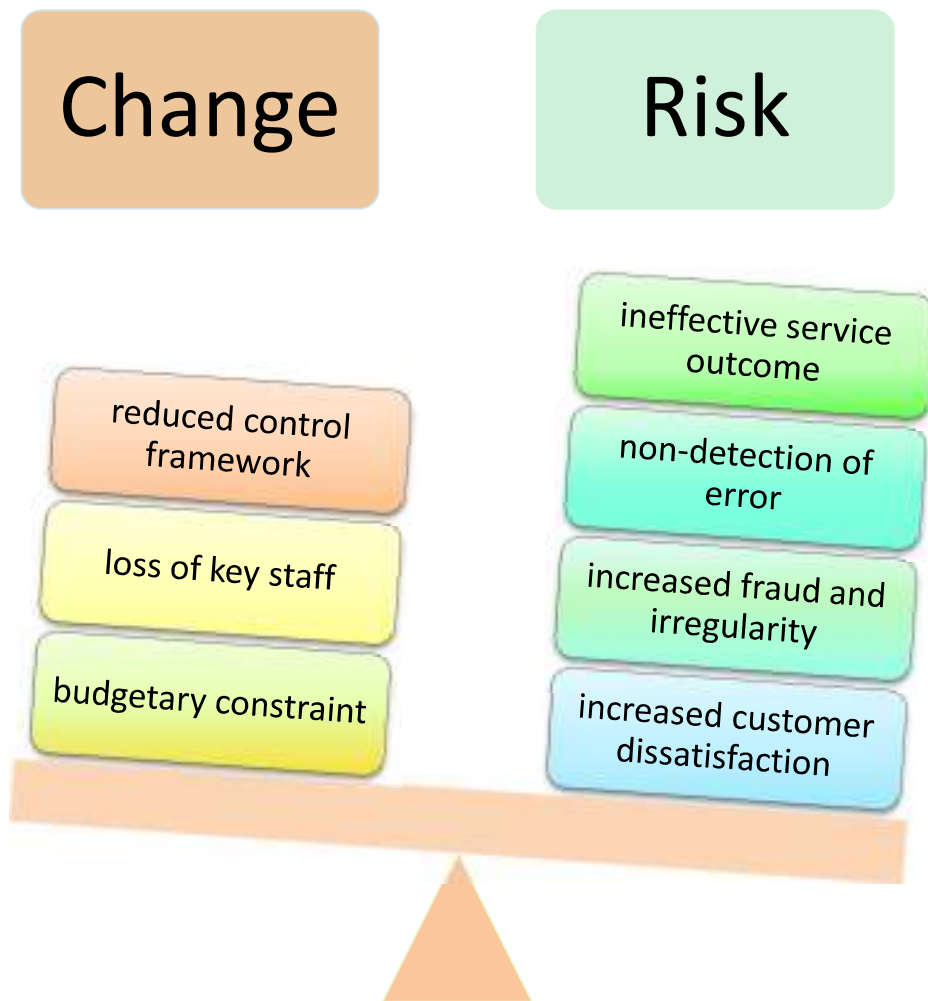
Times are changing; the expectation of the public for services provided by the public sector has never been greater; yet the money that is available for these services needs to be reduced. All public sector organisations are looking at how services can be transformed; what worked in the last decade may not meet new challenges. The use of, and dependency on, IT for service delivery will only increase further; this bring rewards but also carries its own risk.

The Internal Audit function has a key role in helping management fully understand their risks and in designing effective and efficient controls that mitigate these risks to an acceptable level; a consistent application of a quality internal audit opinion assists the organisation to develop alternative and new delivery solutions that will deliver the service required.

We will work with you to understand the changes you are making, the risks you face and help you design and operate effective governance and delivery solutions.

# Consideration of your business objectives

From consideration of the corporate goals and strategic risk registers we have discussed the key challenges and opportunities the Authority is facing with senior management. Our consideration and proposed action is set out below.

## Challenges / Opportunities

| Transformational Change | Partnering and Collaboration | Commissioning | Information Technology | Financial & operational constraint | Compliance & Regulatory |
|---|---|---|---|---|---|
| • delivering more with less<br>• one stop shops<br>• meeting customer needs | • governance arrangements<br>• Public Sector Network (PSN)<br>• information governance | • developing an effective market place<br>• flexible contracting, focused on outputs not inputs<br>• flexible payment structures to reflect reduced budgets | • infrastructure resilience<br>• information security<br>• desktop availability<br>• cloud computing | • reduction of control framework<br>• loss of experienced staff | •key financial systems<br>•Ofsted<br>•Data Protection<br>•Annual governance arrangements |

## Internal Audit Consideration

| We will support the Implementation Boards | Review partner contracts | Advise on procurement processes | Undertake service management review | Advise on reduction in control framework | Compliance reviews on all material systems |
|---|---|---|---|---|---|
| • re-engineer internal controls<br>• advise on delivery plans | • test performance monitoring arrangements<br>•Review governance arrangements | •"best practice" for procurement arrangements<br>•Transparency and consistency of approach<br>•wider "peninsula" approach | •review information governance<br>•test data security and compliance | •use of automated controls<br>•use of continuous auditing approaches<br>•managing residual risks<br>•determine "cost of control" | •follow-up implementation plans on material systems reviews<br>•review performance progress on action plans<br>•contribute to Annual Governance Statement |

| | Transformation Programme | | | | | Major Investment Projects | Value Added |
|---|---|---|---|---|---|---|---|
| **Thematic Overview Audit Coverage** | GAME | Co-operative Centre of Operations | People & Organisation Development | Customer & Service Transformation | Health & Wellbeing | | |
| | Street Scene Review<br><br>Asset Strategy<br><br><br><br>Benefits Realisation<br><br>Support to Programme Board | Contract Management<br><br>Partnerships<br><br>Asset Management<br><br>DELT<br><br>Benefits Realisation<br><br>Support to Programme Board | Civic Centre Decant<br><br><br><br>Benefits Realisation<br><br>Support to Programme Board | Benefits Realisation<br><br>Support to Programme Board | Adult / Health Integration Inc. Pooled Budget<br><br>Other Alternative Delivery Models<br><br>Benefits Realisation<br><br>Support to Programme Board | Civic Centre<br><br>Waste PFI<br><br>Data Centre<br><br>City Deal<br><br>History Centre | Key Contracts Management (e.g. Amey)<br><br>Early Intervention– People<br><br>Use of Consultants<br><br>Income Collection - People<br><br>Fraud Prevention and Investigation (Inc. National Fraud Initiative)<br><br>Advice<br><br>Audit Follow Up |

**Core Assurance**

**Business Processes & Governance** – Corporate Information Management, Business Continuity, Corporate Contracts, Capital Programme, Partnerships, Public Service Network (PSN), "Procure to Pay",

**Key Financial Systems** – Inc. Housing Benefits, Payroll, Creditors, Debtors, Main Accounting System, Council Tax & Business Rates, Carefirst

**ICT** – Service Strategy, Service Operation, Information Security, ICT Programme and Compliance Boards

The diagram shows the thematic approach to the elements proposed for audit coverage in the coming year as identified through risk assessment and discussion with Senior Management. This overview is supported by the detailed plans, by theme, in appendix 1.

# High Level Audit Plan 2014-15

This table shows a summary of planned audit coverage for 2014/15 totalling 1,519 direct days. It should be borne in mind that, in accordance with the Public Sector Internal Audit Standards, the plan needs to be flexible to be able to reflect and respond to the changing risks and priorities of the Authority and, to this end, it will be regularly reviewed with directorates, and updated as necessary, to ensure it remains valid and appropriate. As a minimum, the plan will be reviewed in six months to ensure it continues to reflect the key risks and priorities of the Council given the significant changes across the public sector. In order to allow greater flexibility, the Internal Audit Plan includes a contingency to allow for unplanned work.

We have set out our plan based on the current organisational structure for the Authority. Detailed terms of reference will be drawn up and agreed with management prior to the start of each assignment – in this way we can ensure that the key risks to the operation or function are considered during our review. The following pages give a brief overview of the focus of proposed audit coverage for the year.

A detailed analysis of proposed audit reviews is provided in Appendix 1.

| Core Activity for Internal Audit Review | Coverage in Days |
|---|---|
| Transformation | 290 |
| Major Investment Projects | 74 |
| Value Added | 151 |
| Core Assurance – Key Financial Systems | 205 |
| Core Assurance - Other | 227 |
| Anti Fraud and Corruption | 195 |
| Grants | 35 |
| Other Chargeable Activities | 342 |
| **Total internal audit plan for Plymouth City Council** | **1519** |
| Schools (estimated) | 152 |

# Service Level Plans – Corporate Services, People and Place

## Transformation

As part of the challenge to reduce its funding gap over the next three years the Council has developed a transformation programme.
Outline business cases for each of the programme's workstreams have been used in developing the 2014/15 internal audit plan, although it is recognised that much of the detail underpinning the proposed deliverables is still to be finalised. Therefore, time has been included in the plan to provide internal audit resource to examine, support and challenge key elements of the programme as it develops. Audit resources will be allocated on a risk based approach and will include consideration of the likelihood of benefits being realised.

## Corporate Services

Assurance work will be undertaken on areas termed as key financial systems; these process the majority of income and expenditure of the Council, and which have a significant impact on the reliability and accuracy of the annual accounts.

In addition to work on material systems, Internal Audit coverage will include auditing, support and advice on a number of areas identified through review of risk registers and discussions with Senior Management such as:-

- Governance of the Council's capital programme with a review of governance at programme and project level and the allocation model for capital resources;

- Information Governance and Data Protection - through a review of strategic and operational internal information management, including compliance with Public Sector Network (PSN) and providing any support in the wake of the forthcoming visit by the Information Commissioner.

- Procurement arrangements - through review of the use of corporate contracts and potential "off contract" spend.

With respect to ICT, we will review the current ICT provision and provide a benchmark on their current ability to deliver ahead of the transition to DELT. We will work alongside the Transformation programme as new delivery models are designed that involve the implementation of new ICT business systems. We will work with ICT and business areas to ensure that business objectives are appropriately supported by IT and the value of ICT is fully realised.

## Place

Work will include the GAME transformation programme; looking at such things as the review of Street Scene and the Council's Asset Management Strategy. We will continue to support both the South West Devon Waste Partnership, as the project moves towards live operation, and support the History Centre project. In addition, we will continue to work with the client in reviewing how some of the Council's existing major contracts are managed.

## People

Further to meeting with People DMT a request was made that we move towards a three year audit plan looking at strategic matters affecting the directorate over the next few years. Although a small element of 'business as usual' type work around material systems affecting the People directorate will be undertaken, in the main work will focus upon fewer, more strategic, pieces of audit work. Discussion have been held with individual departmental heads and work will include the transformation programme for Integrated Health and Well Being; pooled budgets; the Care Bill; Fairer Charging; income collection; and benchmarking against other authorities.

Work will also be undertaken with regard Early Intervention. Potential alternative delivery models for specific services will be reviewed, we shall consider infrastructure and governance arrangements that will be required for different mechanisms of service delivery.

# Fraud Prevention and Detection and Internal Audit Governance

**Fraud Prevention and Detection and the National Fraud Initiative**

Counter-fraud arrangements are a high priority for the Council; such arrangements assist in the protection of public funds and promote accountability. We will continue to investigate instances of potential fraud and irregularity referred to us by managers, and will also carry out pro-active anti-fraud and corruption testing of systems considered to be most at risk to fraud. In recognition of the guidance in the Fraud Strategy for Local Government "Fighting Fraud Locally" and the Audit Commission publication "Protecting the Public Purse" internal audit resource will be allocated to allow a focus on identifying and preventing fraud before it happens. Nationally, these areas include Procurement, Housing Benefit, Council Tax, Payroll, Blue Badges and Direct Payments.

The Audit Commission runs a national data matching exercise (National Fraud Initiative - NFI) every two years. The 2014/15 exercise will commence with the gathering and upload of the required datasets to the Audit Commission in October 2014. The resulting data matches will be received in January/February 2015 and we shall then work with Council departments to ensure that the matches are reviewed and action taken as may be necessary.

**Internal Audit Governance**

An element of our work is classified as "other chargeable activities" – this is work that ensures effective and efficient services are provided to the Council and the internal audit function continues to meet statutory responsibilities. In some instances this work will result in a direct output (i.e. an audit report) but in other circumstances the output may simply be advice or guidance. Some of the areas that this may cover include:-

- Preparing the internal audit plan and monitoring implementation;
- Preparing and presenting monitoring reports to Senior Management and the Audit Committee;
- Assistance with the Annual Governance Statement;
- Liaison with other inspection bodies (e.g. Grant Thornton);
- Corporate Governance - Over recent years Internal Audit has become increasingly involved in several corporate governance and strategic issues, and this involvement is anticipated to continue during 2014/15
- On-going development within the Partnership to realise greater efficiencies in the future.

**Partnership working with other auditors**

We will continue to work towards the development of effective partnership working arrangements between ourselves and other audit agencies where appropriate and beneficial. We will participate in a range of internal audit networks, both locally and nationally, which provide for a beneficial exchange of information and practices. This often improves the effectiveness and efficiency of the audit process, through avoidance of instances of "re-inventing the wheel" in new areas of work which have been covered in other authorities.

The most significant partnership working arrangement that we currently have with other auditors continues to be that with the Council's external auditors. We shall continue to work with colleagues from Grant Thornton to understand their requirements and to provide information that they will require. We have set up regular liaison arrangements to maximise the benefits of close working.
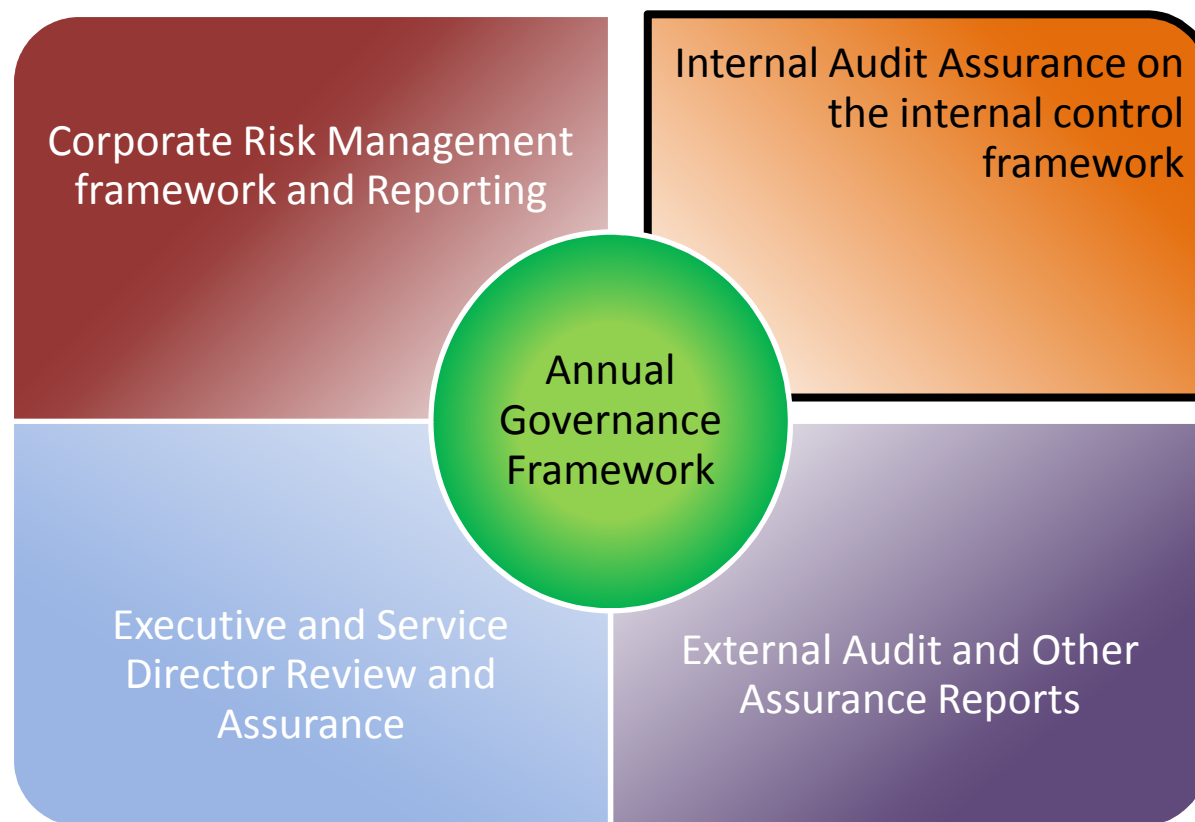
# Annual Governance Framework Assurance

The Annual Governance Statement provides assurance that
- o The Authority's policies have been complied with in practice;
- o high quality services are delivered efficiently and effectively;
- o ethical standards are met;
- o laws and regulations are complied with;
- o processes are adhered to;
- o performance statements are accurate.

The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should:-
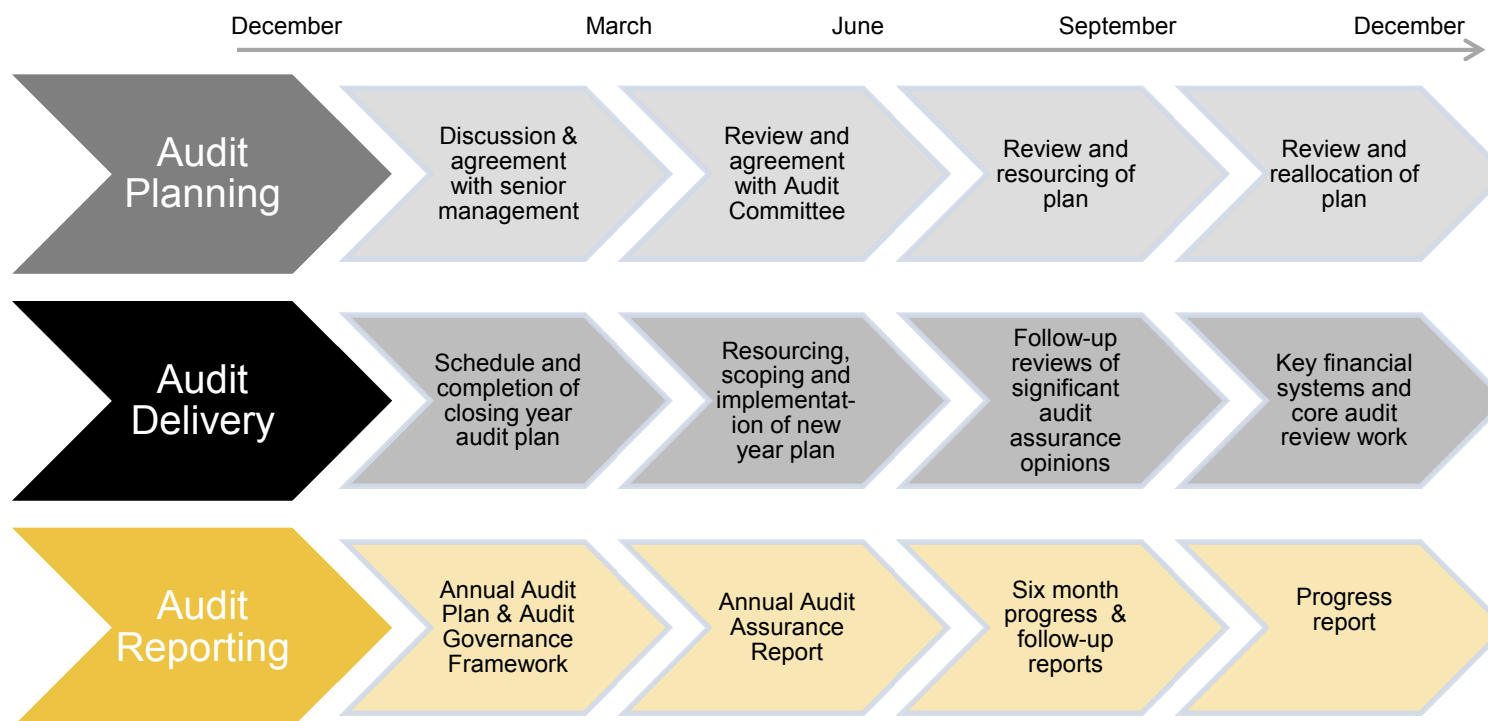- be prepared by senior management and signed by the Chief Executive and Leader of the Council;
- highlight significant events or developments in the year;
- acknowledge the responsibility on management to ensure good governance;
- indicate the level of assurance that systems and processes can provide;
- provide a narrative on the process that is followed to ensure that the governance arrangements remain effective. This will include comment upon;
  - o The Authority;
  - o Audit Committee;
  - o Risk Management;
  - o Internal Audit
  - o Other reviews / assurance
- Provide confirmation that the Authority complies with CIPFA / SOLACE Framework *Delivering Good Governance in Local Government*. If not, a statement is required stating how other arrangements provide the same level of assurance.

Corporate Risk Management framework and Reporting

Internal Audit Assurance on the internal control framework

Annual Governance Framework

Executive and Service Director Review and Assurance

External Audit and Other Assurance Reports

The AGS needs to be presented to, and approved by, the Audit Committee, and then signed by the Chair.

The Committee should satisfy themselves, from the assurances provided by the Annual Governance Statement Working Group, CMT and Internal Audit that the statement meets statutory requirements.

# Our Audit Team and the Audit Delivery Cycle

December | March | June | September | December

**Audit Planning**
- Discussion & agreement with senior management
- Review and agreement with Audit Committee
- Review and resourcing of plan
- Review and reallocation of plan

**Audit Delivery**
- Schedule and completion of closing year audit plan
- Resourcing, scoping and implementation of new year plan
- Follow-up reviews of significant audit assurance opinions
- Key financial systems and core audit review work

**Audit Reporting**
- Annual Audit Plan & Audit Governance Framework
- Annual Audit Assurance Report
- Six month progress & follow-up reports
- Progress report

| Date | Activity |
|---|---|
| Dec / Jan 2013 | Directorate planning meetings |
| March 2014 | Internal Audit Plan presented to Audit Committee |
|  | Internal Audit Governance Arrangements reviewed by Audit Committee |
|  | Year end field work completed |
| Apr / May 2014 | Annual Performance reports written |
| June 2014 | Annual Internal Audit Report presented to Audit Committee |
|  | Follow –up work of previous years audit work commences |
| Sept 2014 | Follow-up and progress reports presented to Audit Committee |
| Dec 2014 | Six month progress reports presented to Audit Committee |
|  | 2015 Internal Audit Plan preparation commences |

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# Appendix 1 – Proposed audit reviews and associated risks

| Risk Area / Audit Entity | Audit Needs Assessment (ANA) | Proposed Audit Work | Proposed Timings (Quarter) |
|---|---|---|---|
| **Transformation – Overall Programme** | | | |
| Programme Delivery | SRR – Red<br>ANA - High | Independent monitoring of programme progress and the development of robust and suitable solutions.  This will include liaising with Business Architects to ensure the adequacy of appropriate controls within these solutions. | Q1 – Q4 |
| Benefits Realisation | SRR – Red<br>ANA - High | Ensure benefits are clear and quantifiable, examine the approach and recording method, ensure actual benefits contribute to the intended "savings" plan, future benefits are still attainable and their delivery on course, ensure risks to achieving benefits are recognised and mitigated. | Q1 – Q4 |
| **Transformation - Co-operative Centre of Operations (CCO)** | | | |
| Asset Management (linked with GAME) | SRR – Red<br>ANA - High | Review of acquisition and disposal process and lease management. | Q1 – Q4 |
| Contract Management | SRR – Red<br>ANA – High<br>Client Request | Continuation of 13/14 audit work and the examination of any proposed methodologies. | Q1 – Q2 |
| Significant Partnership Arrangement | SRR – Red<br>ANA - High | Ensuring existing partnerships are identified and risk assessed; confirm the existence of robust partnership protocols and guides.  Ensure there is a good awareness of risks. | Q2 |
| Mobilisation of DELT | SRR – Red<br>ANA - High | On-going support and challenge during the migration of ICT operational service delivery to DELT. | Q1 – Q4 |

| Risk Area / Audit Entity | Audit Needs Assessment (ANA) | Proposed Audit Work | Proposed Timings (Quarter) |
|---|---|---|---|
| **Transformation – Customer & Service** | | | |
| Devon Audit Partnership will maintain a 'watching brief' and feed into the programme where appropriate as it develops, especially where it is considered that there is fundamental change which impacts on existing controls or new risks emerge. Specific audit briefs to be identified through ongoing consultation process. | | | |
| **Transformation – Growth, Assets & Municipal Enterprise (GAME)** | | | |
| Asset Management (linked with CCO) | SRR – Red ANA – Medium | Examination of asset strategy. | Q3 |
| Street Scene | SRR – Red ANA - Medium | Real time advice and support for service in developing new delivery models. | Q1 – Q4 |
| **Transformation – Integrated Approach to Health & Wellbeing** | | | |
| Adult Social Care / Health Integration | SRR – Red ANA – High Client Request | Independent monitoring of programme progress and the development of robust and suitable solutions. This will include liaising with the business to ensure the adequacy of appropriate controls within these solutions. | Q1 – Q4 |
| Alterative Service Delivery Models | SRR – Red ANA – High Client Request | Real time advice and support for service in developing new delivery models for Plymouth Adult & Community Learning Service (PACLS) and School Catering service. | Q1 – Q4 |
| **Transformation – People & Organisation Development** | | | |
| Decant of Civic Centre | SRR – Red ANA - High | Real time advice and support to ensure timescales met and new ways of working are successfully implemented. | Q1 – Q4 |

| Risk Area / Audit Entity | Audit Needs Assessment (ANA) | Proposed Audit Work | Proposed Timings (Quarter) |
|---|---|---|---|
| **Major Infrastructure & Investment Projects** | | | |
| Data Centre | SRR – Red<br>ANA – High | Examine the Data Centre facility and compare against original business case and ensure it is "fit for purpose". | Q2 |
| Waste PFI | SRR – Green<br>ANA - High | Examination of the proposed contract management procedures. Continued involvement with the Executive Board to provide support and challenge. | Q1 – Q4 |
| History Centre (Record Office) | ORR – Amber<br>ANA - High | Continued involvement with the Project Board to provide support and challenge. | Q1 – Q4 |
| Civic Centre | SRR – Red<br>ANA – High | Conduct a watching brief on the future redevelopment of the Civic Centre building. | Q1 – Q4 |
| City Deal (Plymouth & SW Peninsula) | ANA – Medium<br>Client Request | Examination of proposed governance structures, joint working arrangements and systems established to record and demonstrate success against milestones and outcomes. | Q3 |
| **Value Added** | | | |
| People – Income Collection | ANA – High<br>Client Request | Examination of policies and processes, benchmarking with other Authorities to identify good practice. | Q1 |
| Early Intervention (Families With a Future) | ANA – High<br>Client Request | FWAF will involve a range of services across the directorate & beyond. Audit will examine Value for Money (VFM), "checks and balances". | Q2 |
| Use of Consultants & Advisors | ANA - High | Identification of consultant strategy, examine recruitment procedure, on-going management process and the adequacy of information relating to consultants usage including financial and performance. | Q1 |

| Risk Area / Audit Entity | Audit Needs Assessment (ANA) | Proposed Audit Work | Proposed Timings (Quarter) |
|---|---|---|---|
| Management of Major Contracts | ANA – High Client Request | Review of the management of major contracts (e.g. Amey, Leisure Management, Home Park development). | Q1 – Q4 |
| **Core Assurance – Key Financial System** | | | |
| Civica Financials:<br>• Creditors<br>• Main Accounting<br>• Debtors | ANA – High / Medium / Low | Identify and review the system in operation, where appropriate, and undertake a programme of testing, designed to measure compliance and to evaluate the effectiveness of system controls. | Q3 – Q4 |
| Academy Revs & Bens:<br>• Housing Benefits<br>• Sys Parameters<br>• Council Tax<br>• Business Rates | ANA – High / Medium / Low | Identify and review the system in operation, where appropriate, and undertake a programme of testing, designed to measure compliance and to evaluate the effectiveness of system controls. | Q3 – Q4 |
| Fixed Asset Register | ANA - Medium | Identify and review the system in operation, where appropriate, and undertake a programme of testing, designed to measure compliance and to evaluate the effectiveness of system controls. | Q4 |
| Treasury Management | ANA - Low | Identify and review the system in operation, where appropriate, and undertake a programme of testing, designed to measure compliance and to evaluate the effectiveness of system controls. | Q3 |
| CareFirst - Adults<br>• Residential Care Payments<br>• Residential Care Billing | ANA – Medium / Low | Identify and review the system in operation, where appropriate, and undertake a programme of testing, designed to measure compliance and to evaluate the effectiveness of system controls. | Q2 |

| Risk Area / Audit Entity | Audit Needs Assessment (ANA) | Proposed Audit Work | Proposed Timings (Quarter) |
|---|---|---|---|
| iTrent - Payroll | ANA - High | Identify and review the system in operation, where appropriate, and undertake a programme of testing, designed to measure compliance and to evaluate the effectiveness of system controls. | Q3 |
| IT Material Systems | ANA - Low | Review procedures and controls relating to processes undertaken within the ICT Department that are common to all of the Council's Key Financial Systems. These include job scheduling and backup arrangements, application maintenance, ICT staff access to live applications, source code, operating systems, security and environmental protection of the data centre. | Q4 |
| **Core Assurance - Other** | | | |
| Corp Information Management & Security<br>• Business<br>• IT Inc. PSN | SRR - Amber<br>ANA - High | Examine process for managing PSN compliance and verify sample of claims.<br>Continuing involvement with Authority's ILOG and examining policies and processes relating to the management of information held throughout the organisation. | Q1 – Q4 |
| Business Continuity | SRR – Green<br>ANA - Medium | Continued involvement with Authority's Strategy Group and ensuring that continuity plans are maintained and tested. | Q1 – Q4 |
| ICT<br>• Service Strategy<br>• Service Design<br>• Service Operation | ORR - Amber<br>ANA - High | Review key operational functions and ICT's ability to meet Transformational requirements, deliver value to PCC and operate on a more commercial basis. Review the proposed delivery model in respect of its structure, relationship to ICT and any weaknesses identified. Review the processes used by the Transformation Programme that have a direct impact on ICT and corporate business systems, to identify, design and implement changes to service delivery through new | Q1 – Q4 |

| Risk Area / Audit Entity | Audit Needs Assessment (ANA) | Proposed Audit Work | Proposed Timings (Quarter) |
|---|---|---|---|
| | | business systems. ICT audit input into general reviews of business systems. This will include identification of potential areas of service improvement that will deliver better value for money. | |
| Capital Programme - Governance | ANA – High Client Request | Review the governance arrangements at programme and project level including appropriate levels of stakeholder engagement in relation to grant allocations. Examine the allocation model for capital resources to check its objective prioritisation of projects in line with corporate strategy. Examine monitoring and reporting arrangements. | Q3 |
| Corporate Contracts | ANA - High | Examine rules and policies on purchasing, check that the role of the Authority's Strategic Procurement Team is clearly understood; that information about centrally negotiated contracts and purchasing activity is readily available; off-contract purchasing within departments is monitored and addressed;  appropriate challenge is provided on contract compliance; review the adequacy of  financial data and other information to enable effective monitoring; | Q2 |
| Procure to Pay Processes | ORR – Amber ANA - High | Review of processes in place associated with the transfer of the "buyer" function within the Authority. Support and challenge during the implementation of category management. | Q2 |
| Schools Finance Support | ANA – Medium Client Request | Providing assurance to Section 151 Officer of the effective of future Schools Finance Support. | Q3 – Q4 |

| Risk Area / Audit Entity | Audit Needs Assessment (ANA) | Proposed Audit Work | | Proposed Timings (Quarter) |
|---|---|---|---|---|
| Schools Financial Value Standards (SFVS) | ANA - Low | Collection of SFVS self assessments completed by schools. Preparation of the Direct Schools Grant (DSG) Chief Financial Officer (CFO) Assurance Statement for 13/14 to be returned to DfE by 31st May 2014 | | Q1 & Q4 |

**Risk Assessment Key**

SRR – Local Authority Strategic Risk Register score Impact x Likelihood  = Total and Level

ORR - Local Authority Operational Risk Register score Impact x Likelihood  = Total and Level

ANA - Audit Needs Assessment risk level as agreed with Client Senior Management

Client Request – additional audit at request of Client Senior Management