

PLYMOUTH CITY COUNCIL

Subject: Internal Audit Plan 2016/17
Committee: Audit Committee
Date: 24 March 2016
Cabinet Member: Councillor Lowry
CMT Member: Lesa Annear (Strategic Director for Transformation & Change)
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Ref: AUD/RH
Key Decision: No
Part: I

Purpose of the report:

This report provides information on the legislative requirement for local authorities to provide an Internal Audit (IA) service in accordance with the Accounts and Audit Regulations and Public Sector Internal Audit Standards; the need for an annual risk-based IA plan to be prepared; and the methodology of identifying the audit needs for the Authority.

The report comments on the delivery of the Council's Internal Audit provision by Devon Audit Partnership (DAP) which is a shared service arrangement between Plymouth City, Devon County and Torbay Councils and which commenced on 1st April 2009.

This report comments on IA resources available to carry out the 2016/17 plan, and identifies the work to be carried out analysed between audit support and contribution to Transformation, value added work, core assurance, key financial systems, school's reviews, anti-fraud work, consultancy, corporate governance, grant certification and other chargeable work. The report also contains details of the specific audits to be undertaken.

The Brilliant Co-operative Council Corporate Plan 2013/14 - 2016/17:

The work of the internal audit service assists the Council in maintaining high standards of public accountability and probity in the use of public funds. The service has a role in promoting high standards of service planning, performance monitoring and review throughout the organisation, together with ensuring compliance with the Council's statutory obligations.

The delivery of the Internal Audit Plan assists all directorates in delivering outcomes from the Corporate Plan:-

- Pioneering Plymouth – by ensuring that resources are used wisely and that services delivered meet or exceed customer expectations;
- Confident Plymouth - the Government and other agencies have confidence in the Council and partners.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

None.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

The work of the internal audit service is an intrinsic element of the Council's overall corporate governance, risk management and internal control framework.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? No

Recommendations and Reasons for recommended action:

It is recommended that:

1. The report be noted
 2. The proposed Internal Audit Plan for 2016/17 at Appendix 1 be approved.
-

Alternative options considered and rejected:

None, as failure to maintain an adequate and effective system of internal audit would contravene the Accounts and Audit Regulations 2003, 2006, 2011 and 2015 and the Public Sector Internal Audit Standards.

Published work / information:

None

Background papers:

None

Title	Part I	Part II	Exemption Paragraph Number						
			1	2	3	4	5	6	7

Sign off:

Fin		Leg		Mon Off		HR		Assets		IT		Strat Proc	
Originating SMT Member													
Has the Cabinet Member(s) agreed the contents of the report? Yes / No													



devon **audit** partnership

Internal Audit

Internal Audit Plan 2016-17

Plymouth City Council Audit Committee

March 2016

Not Protectively Marked

Robert Hutchins
Head of Audit Partnership



Auditing for achievement

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Devon Audit Partnership	Confidentiality and Disclosure Clause
<p>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.</p> <p>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 .</p>	<p>This report is protectively marked in accordance with the National Protective Marking Scheme. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation’s disclosure policies.</p> <p>This report is prepared for the organisation’s use. We can take no responsibility to any third party for any reliance they might place upon it.</p>

Audit Framework

Internal Audit is a statutory service in the context of The Accounts and Audit (England) Regulations 2015, which state: “A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.
From April 2013, organisations in the UK public sector are required to adhere to the Public Sector Internal Audit Standards (the 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.

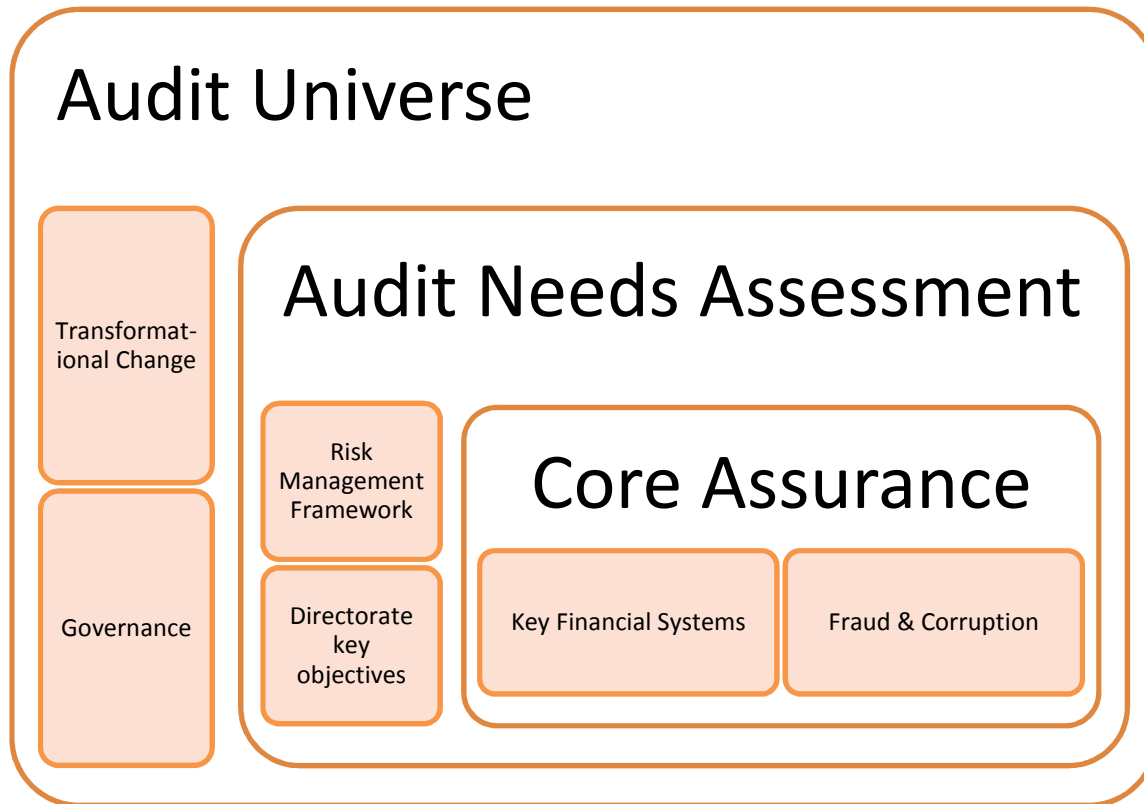
This audit plan has been drawn up, therefore, to enable an opinion to be provided at the end of the year in accordance with the above requirements



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.



The resultant Internal Audit Plan for 2016/17 is set out in the high level plan and Appendix 1

The audit plan for 2016/17 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

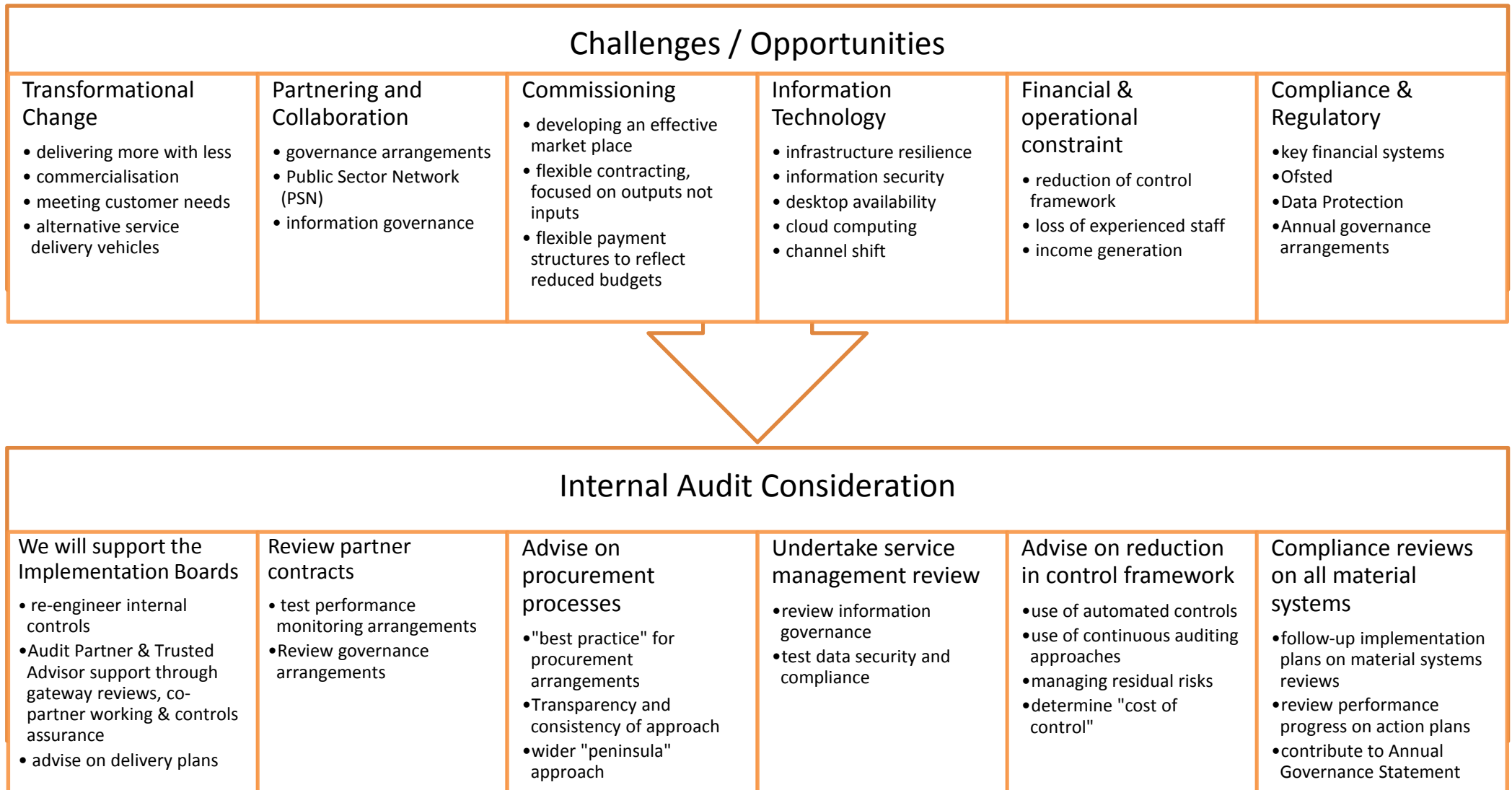
Taking into account results of previous internal audit reviews

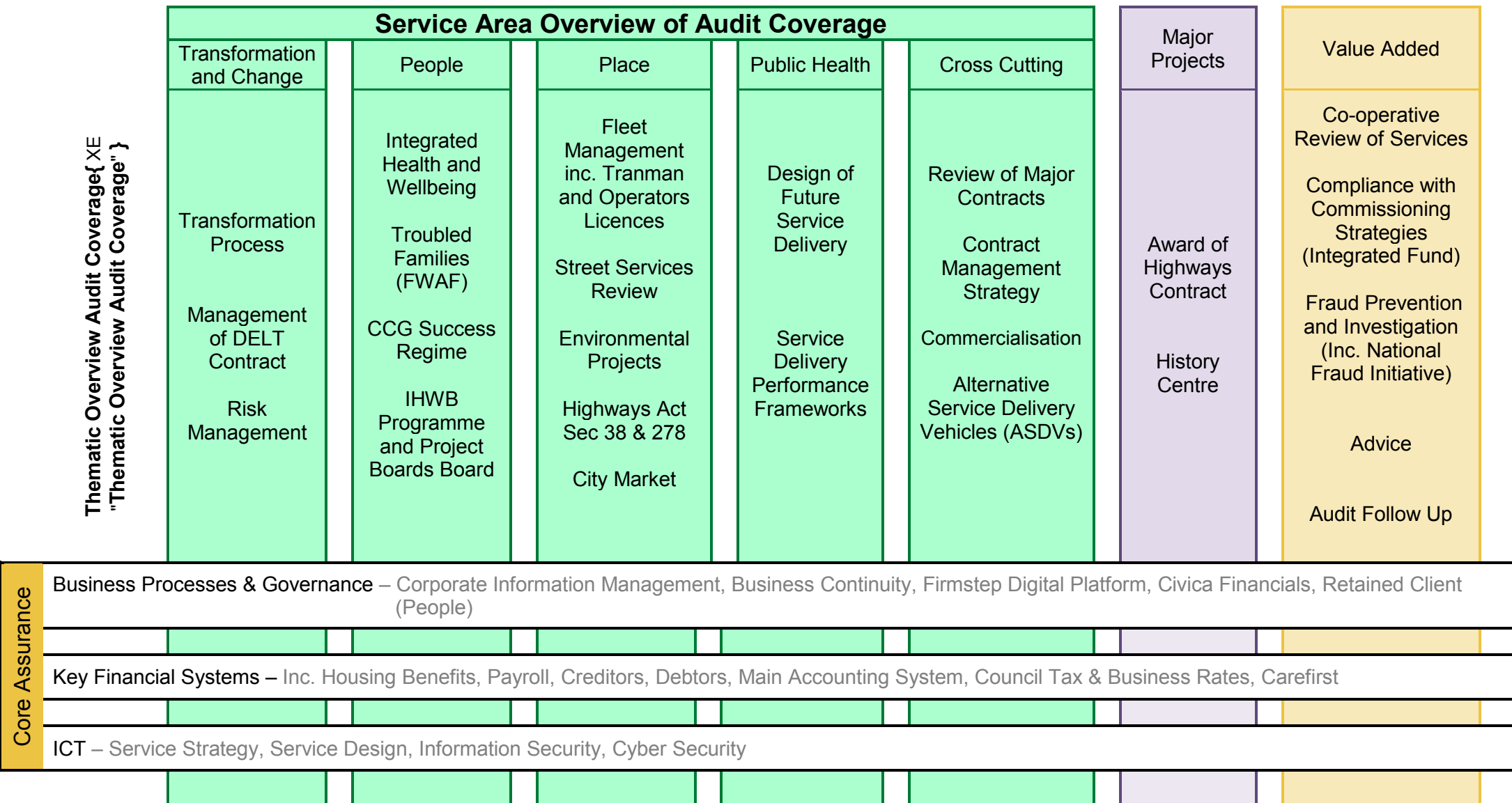
Taking into account Internal Audit’s knowledge and experience of the risks facing the Authority, including factors and systems that are key to successful achievement of the Council’s delivery plans

Requirements to provide a “collaborative audit” approach with the external auditors

Consideration of 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.





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 2016-17

This table shows a summary of planned audit coverage for 2016/17 totalling 1,180 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.

In addition, audits reviews that have been requested but for which there is currently insufficient resource are detailed in Appendix 2.

Core Activity for Internal Audit Review	Coverage in Days
Transformation and Change inc: - Core assurance Key Financial Systems 170 days - Core assurance Other 90 days	360
People - Includes core assurance Key Financial Systems 60 days	238
Place	120
Crosscutting	100
Public Health	55
Anti-Fraud and Corruption	150
Grant Certification	20
Other Chargeable Activities	137
Total internal audit plan for Plymouth City Council	1180
Schools (estimated)	129

Service Level Plans – Transformation & Change, Place, People and Public Health

Transformation & Change

As part of the challenge to reduce its funding gap, the Council is delivering a transformation programme which is seeing a radical change to the way services are provided. The 2016/17 internal audit plan reflects the many programme work streams as they progress through the change pipeline and includes resource to examine, support and challenge areas of the programme during design, development and delivery.

Audit will continue to support and review the Transformation process itself, including process maturity assessment. Audit assignments will be steered by the Portfolio Office. We will contribute to the development of contract management and retained client functions, review the utilisation of risk registers and embeddedness of the risk management framework

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, Internal Audit will review, support and advise on areas that include:

- Information Governance, working with relevant managers and ILOG to review key areas of strategic and operational information management practice,
- Development and roll-out of the new Firmstep digital platform.

With respect to ICT, we will continue to review the management of Delt. We will work, as “trusted advisor and audit partner”, alongside the Transformation programme as new delivery models are designed that involve the implementation of new ICT business systems. We will work with the Council and its business areas to ensure that their objectives are appropriately supported and the value of ICT is fully realised.

Place

Management have requested our advice, support and assurance as “trusted advisor and audit partner” on areas within Street Services.

Similarly, audit resource will be made available to support the development of a variety of Environmental schemes. We will continue to support the History Centre project and the procurement of a new Highways Term Maintenance Contract, in collaboration with Devon and Somerset County Councils and its mobilisation ahead of implementation in April 2017.

People

Audit within this area continues to evolve in recognition of the creation of the Integrated Fund (created in partnership with the New Devon CCG), resulting in three core elements within the People Directorate audit plan. Firstly, those audits directly related to the Integrated Fund which includes work related to the commissioning strategies, Governance, Financial Reporting and the CCG Success Regime. Secondly, the audit reviews which are linked to the delivery of services and such as CareFirst reviews, Service Agreement Verification and Income Collection. Thirdly, work to support the ongoing IHWB Transformation Programme and its delivery of robust and suitable solutions along with assurance on implementation and delivery of the key strategies. Audit are working collaboratively with audit South West, the CCG internal auditors, through joint working arrangements covering audit planning, delivery and reporting.

Public Health

Our work will provide assurance around the design of future service delivery and the performance frameworks used to measure impact and chart progress.

Value Added

Value Added is integrated into all audits, key focus this year will be on “audit partner” themes supporting service transformation including commercialisation and implementation of commissioning strategies. We will undertake the annual follow up on all audit areas identified as ‘Improvements Required’ or ‘Fundamental Weaknesses’ in 2015/16 supporting implementation of recommendations. The National Fraud Initiative this year will report to the Cabinet Office following change requirements. Proactive fraud work will be carried out in liaison with the Corporate Fraud Team.

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 and assist in the protection of public funds and accountability. Internal Audit will continue to investigate instances of potential fraud and irregularities referred to it 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 TEICCAF (The European Institute for Combatting Crime and Fraud) publication “Protecting the English Public Purse 2015”. Internal Audit will liaise with the Council’s Corporate Fraud Team to enable resource to be focussed on identifying and preventing fraud before it happens. Nationally these areas include Procurement, Payroll, Blue Badges, Direct Payments.

In the past the Audit Commission has run a national data matching exercise (National Fraud Initiative - NFI) every two years. This has now been taken over by the Cabinet Office and the 2016/17 exercise will commence with the gathering and upload of the required datasets to the Cabinet Office this coming October. The resulting data matches will be received in January/February 2017 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 audit 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. BDO, Audit South West);
- 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 2016/17
- 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 are working closely with colleagues from Audit South West, the internal auditors for Health, as the Council’s integration with Health progresses. Joint working arrangements have been agreed through both PCC and CCG Audit Committees supported by detailed arrangements around audit planning, delivery and reporting in a shared arrangement. We are further developing relationships with South West Audit Partnership with joint working arrangements for the Police services.

We shall continue to work with External Audit colleagues. Grant Thornton has been replaced by BDO from April 2016 and Devon Audit Partnership will continue to build a relationship with them to understand their requirements and to provide information that they will require. We will look to set up regular liaison arrangements to maximise the benefits of close working. 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.

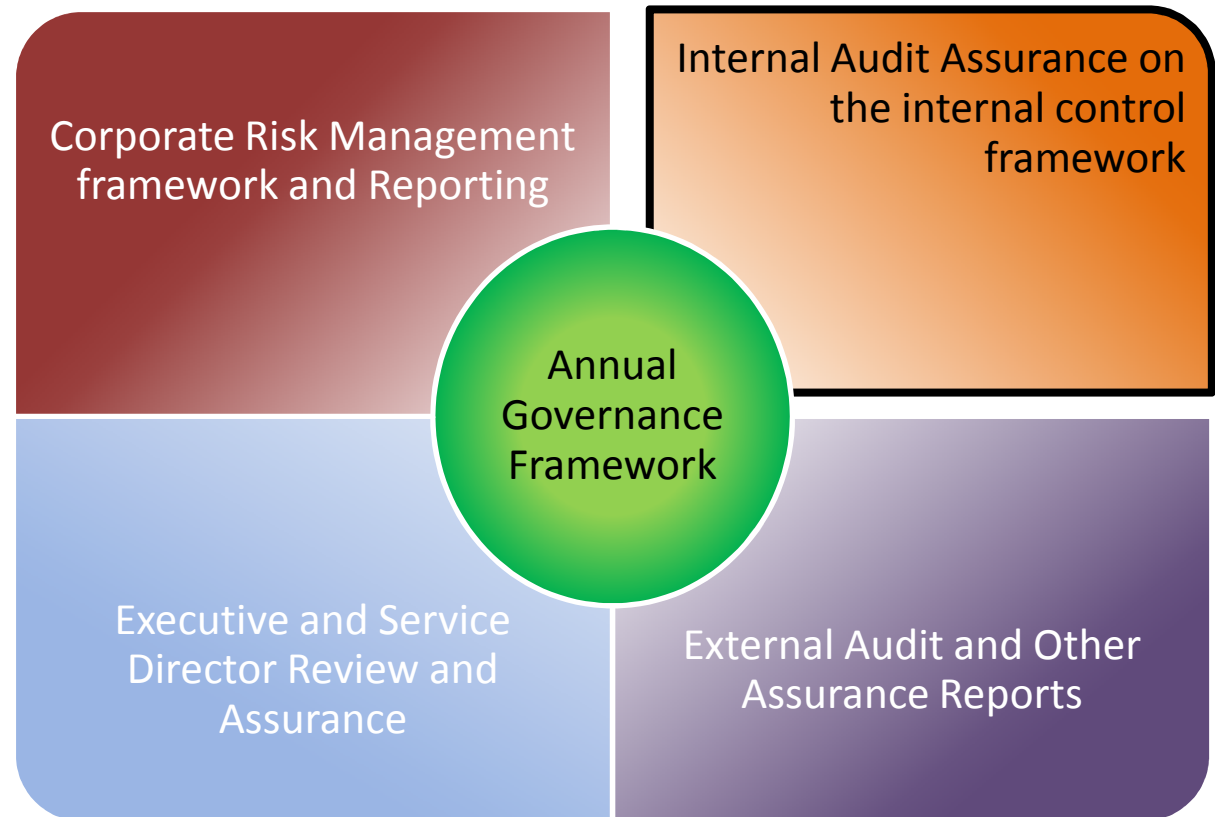
Annual Governance Framework Assurance

The Annual Governance Statement provides assurance that

- The Authority's policies have been complied with in practice;
- high quality services are delivered efficiently and effectively;
- ethical standards are met;
- laws and regulations are complied with;
- processes are adhered to;
- 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:-

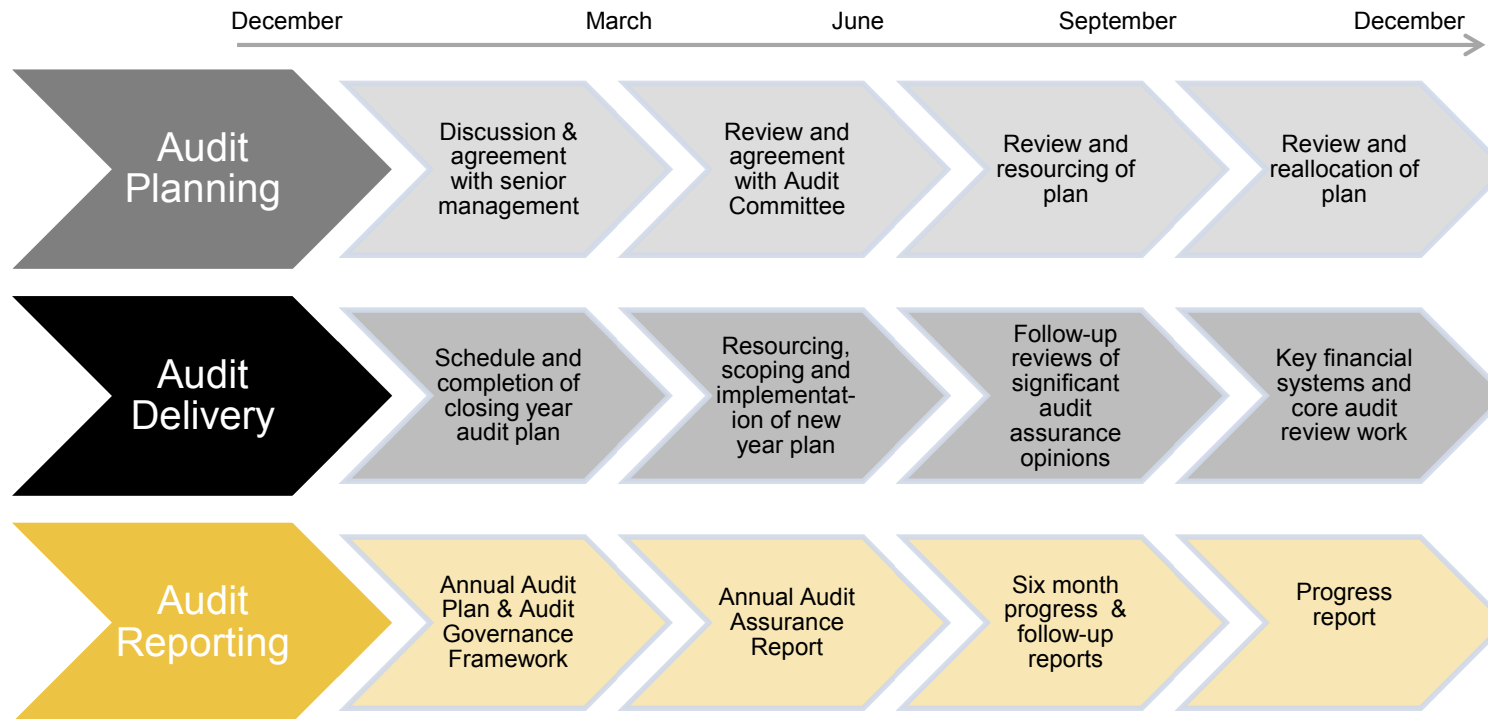
- be prepared by senior management and signed by the Chief Executive and Leader of the Council;
- highlight significant events or developments in the year;
- acknowledge the responsibility on management to ensure good governance;
- indicate the level of assurance that systems and processes can provide;
- provide a narrative on the process that is followed to ensure that the governance arrangements remain effective. This will include comment upon;
 - The Authority;
 - Audit Committee;
 - Risk Management;
 - Internal Audit
 - 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.



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



Date	Activity
Dec / Jan 2016	Directorate planning meetings
March 2016	Internal Audit Plan presented to Audit Committee
	Internal Audit Governance Arrangements reviewed by Audit Committee
	Year end field work completed
Apr / May 2016	Annual Performance reports written
June 2016	Annual Internal Audit Report presented to Audit Committee
	Follow –up work of previous year’s audit work commences
Sept 2016	Follow-up and progress reports presented to Audit Committee
Dec 2016	Six month progress reports presented to Audit Committee
	2017 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)	Estimated Audit Effort (Days)
Transformation and Change				
Core Assurance – Key Financial System				
I.T. Systems	ANA - High	A review of the core I.T. systems common to all the Council's Key Financial Systems. This will include application access controls at system admin level.	Q3 – Q4	20
Civica Financials: <ul style="list-style-type: none"> • Creditors • Main Accounting • Debtors 	ANA – High / High / Medium	Follow-Up of 15/16 review, system walkthrough & some risk based sample testing for all systems. Standard review inc reconciliations. Follow on review of revision of process to achieve earlier reporting requirements. Review recovery and aged debt, inc Legal & Bailiffs	Q3 – Q4	55
Academy Revs & Bens: <ul style="list-style-type: none"> • Housing Benefits • Council Tax • Business Rates NNDR 	ANA – High / Medium / Low	System walkthrough, some risk based sample testing and follow-up of 15/16 reviews for each service area.	Q3 – Q4	50
Capital Accounting - Fixed Asset Register	ANA - Medium	System walkthrough, some risk based sample testing and follow-up of 15/16 reviews.	Q4	10
Treasury Management	ANA - Medium	System walkthrough, some risk based sample testing and follow-up of 15/16 reviews.	Q3	10
iTrent - Payroll	ANA - Medium	System walkthrough, some risk based sample testing on existing and new functionality as the service embarks on Phase 2 of iTrent implementation and follow-up of 15/16 review	Q3	25
Core Assurance - Other				
Corp Information Management <ul style="list-style-type: none"> • ILOG, FoI, DPA, Policies & P's, EDRMS, End User Computing 	SRR46 - Amber ANA – High	Audit support with Authority's ILOG and examining policies and processes relating to the management of information held throughout the organisation.	Q1 – Q4	25

Risk Area / Audit Entity	Audit Needs Assessment (ANA)	Proposed Audit Work	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Information Security (Includes Gov.Connect & PCI DSS)	SRR46 – Amber ANA - High	Trusted advisor role with Authority’s Strategy Group and ensuring that continuity plans are maintained and tested. 27001, PSN, PCI, Policies, Education	Q1 – Q4	5
ICT <ul style="list-style-type: none"> • Service Strategy • Service Design 	ANA - High	Work will be undertaken to follow up on the findings of the 2015/16 Retained Client report as well as adopting a flexible approach to allocating ICT audit resources to reviewing or, supporting, the Council’s transformational change programme. ICT audit resources will also be input into general reviews of business systems including new business solutions, system development roadmaps and potential areas of service improvement that will deliver better value for money.	Q1 – Q4	30
ICT – Cyber Security	SRR113 – Amber ANA - High	Systems resilience in the context of increasing reliance on IT systems and digital service delivery	Q2	10
Grant Certification	Statutory	Those grants where the grant determination requires independent certification of expenditure by Internal Audit.	Q1 – Q4	20
Transformation & Change – Strategic and Operational				
Transformation Process	SRR95 - Red ANA - High	Audit “trusted advisor” role to provide support, challenge and independent assurance. This will place Audit at the heart of proposed changes and enable the targeted use of audit resources to support project delivery and mitigate risks in a collaborative manner. Portfolio Office will provide a steer on areas for focus and these may include Change Pipeline, Gateway process, p3m3, lessons learned, benefits realisation.	Q1 – Q4	30
Management of Delt	ANA - High	Continued review and follow up including adherence with Service Level Agreements so that the Council’s assets are protected and that service benefits are being maximised.	Q2	10
Risk Management	ANA - High	Review evidence to support the collective mitigating actions shown on latest Strategic and Operational Risk Registers. Examination of how registers are used and assess the value that they add.	Q2	20
Schools Financial Value Standards (SFVS)	Statutory ANA - Low	Collection of SFVS self assessments completed by schools. Preparation of the Direct Schools Grant (DSG) Chief Financial Officer (CFO) Assurance Statement for 15/16 to be returned to DfE by 31 st May 2016	Q1 & Q4	10

Risk Area / Audit Entity	Audit Needs Assessment (ANA)	Proposed Audit Work	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Audit Advice to Transformation & Change	n/a		n/a	20
Transformation & Change – Audit planning, monitoring and performance reporting	n/a		n/a	30
People				
Core Assurance – Key Financial System				
CareFirst <ul style="list-style-type: none"> Income Collection (Adults) Residential Care Payments (Adults) Independent Placements (Children) Domiciliary Care – Follow up of 2014/15 Review (see below) 	ANA – High ANA – High ANA – Medium	Identify and review the systems in operation and undertake a programme of testing designed to measure compliance and to evaluate the effectiveness of system controls and satisfy External Audit requirements. Additionally within Income Collection, an analysis of cost effectiveness to maximise recovery (income) through increased capacity to carry out Client Finance assessments.	Q2 - Q3	60
Core Assurance - Other				
Income Collection Strategy	ANA - Critical	Assessment of the Authorities approach to maximising income, the impact of changes to legislation, internal policy changes (Fairer Charging) and Deferred Payments income collection.	Q2 – Q3	20
Early intervention – Families with a Future	Statutory Client Request	Support for the development of processes for identifying families to be targeted for support along with independent verification of the Grant Claims.	Q2	12
Adult Social Care Retained Client Functions	SRR72 – Amber ANA - High	Continuation of the cyclical review (Commenced in 2015/16) of the areas within the People Retained Client following the transfer of the provision of Adult Social Care to Living Well. 2016/17 reviews will include Service Agreement Verification and Guardianships.	Q1 – Q4	20
Follow –Up of 2015/16 reviews	n/a	Review progress on the implementation of recommendations/actions agreed following the reviews of Direct Payments (Pre-Paid cards) and Domiciliary Care Payments, carried out in 2015/16.	Q1 and Q2 respectively	11

Integrated Health and Wellbeing (Integrated Fund)				
Compliance with/Delivery of Commissioning Strategies	ANA - Critical	The Integrated Fund is underpinned by four commission strategies. We will commence in 2016/17 a four year cyclical of review of one strategy each year. The work will include elements such as robustness, feasibility, achievement and evolution.	Q1 – Q4	20
Integrated Fund	SRR83 – Amber ANA - High	The Council and New Devon CCG have pooled and aligned budgets for Health and Wellbeing of Circa £460m. Audit support, challenge and assurance in this area will include; <ul style="list-style-type: none"> • Governance Arrangements; • Financial Reporting Arrangements; • Section 75 Renewal; • Financial Framework Reviews. 	Q1 – Q4	25
CCG Success Regime	ANA - High	The CCG Success Regime will have an impact on the work of the Council. Audit input would include reviewing plans and considering how they relate to the council, looking for potential negative impacts that can be avoided. Furthermore, considering if the plans are in line with the Integrated Health and Wellbeing strategies.	Q1 – Q4	10
Integrated Health and Wellbeing (Transformation Programme)				
Children’s Improvement Board	SRR – Amber ANA - High	Audit Partner support of the development of robust and suitable solutions resulting from transformation work along with assurance on implementation and delivery of the key strategies. This may include co-review with the business across partners including the Council, New Devon CCG & Living Well to ensure the adequacy of appropriate controls within these solutions. Additional work linked to Benefits Realisation may be undertaken for which approaches include reviewing the robustness of the rationale used to calculate savings and determine outcomes, post implementation reviews or a combination of both. All approaches would aim to provide feedback to enhance any future benefit setting processes.	Q1 – Q4	5
Commissioning Improvement Board	SRR – Amber ANA - High		Q1 – Q4	5
Transformation Programme Board	ANA - Medium		Q1 – Q4	5
System Enablers Board	ANA - Medium		Q1 – Q4	5
Audit Advice to People	n/a		n/a	20

People – Audit planning, monitoring and performance reporting	n/a		n/a	20
Public Health				
Joint IHWB Commissioning - Design of Future Service Delivery	SRR83 - Amber ANA - High	Review of the Integrated Commissioning System Design Group (SDG) looking at the way that the SDG works, are the processes likely to lead to effective outcomes.	Q2	20
Joint IHWB Commissioning - Service Delivery Performance Frameworks	SRR83 - Amber ANA - High	Review of systems and performance processes of the Integrated System Performance Intelligence Group (ISPIG) has a Performance Framework and an Integrated Commissioning Dashboard	Q3 - 4	20
Audit Advice to Public Health	n/a		n/a	5
Public Health – Audit planning, monitoring and performance reporting	n/a		n/a	10
Place				
Highways Maintenance Contract – letting and mobilisation	SRR107 - Amber ANA - Critical	Review of Evaluation of bids (due Summer 2016) and subsequent award & support for work streams bringing various systems back in-house.	Q1 – Q4	25
Street Services	SRR95 - Red ANA - High	Internal Audit will continue its work with management to provide assurance that service efficiencies are identified, evaluated and where appropriate, delivered within Street Services.	Q1 – Q4	25
History Centre (Record Office)	SRR108 Red ORR – ANA –Medium	Continued “trusted advisor” role as the project progresses, providing support and challenge through the new build development.	Q1 – Q4	5
Fleet Management inc Tranman and Operators Licences	SRR95 – Red ANA - Medium Client request	Internal Audit will act as “trusted advisor” to work alongside officers to provide advice, support and assurance with the implementation of a new fleet management system and audit partner support as the Council explores additional commercial opportunities in this area.	Q1 – Q4	10
Environmental Projects	ANA - Medium Client Request	Internal Audit will act as “trusted advisor” to work alongside officers to provide advice, support and assurance with the implementation of new projects e.g. PEC, Ernesettle Community Solar, GEM	Q2 – 3	10
Highways Act – Section 38 and Section 278	ANA – Low Client Request	Adoption of Highways - scope to be agreed including condition and liabilities.	Q2	12
Plymouth City Market	ANA - Medium Client request	Review of cash collection procedures	Q1	3

Audit Advice to Place	n/a		n/a	15
Place – Audit planning, monitoring and performance reporting	n/a		n/a	15
Cross Cutting				
Contract Management Strategy / Retained Client Function	ANA - High	Review the Council's overall strategy to contract management and the development of the Retained Client Function. Examine the different mechanisms, governance arrangements, infrastructure and good practice.	Q3	15
Review of Major Contracts	ANA - High	Review of contracts with major suppliers including Leisure Management and CaterEd, to provide assurance that contractual terms are being met, performance attained and value for money achieved.	Q2 – Q3	20
Civica Financials Project	ORR F7 ANA - High	Audit partner at Project Board and support and challenge work undertaken by Project Team to ensure better, more efficient use of the Council's current financial systems whilst maintaining sound, proportionate controls. Key areas could include : <ul style="list-style-type: none"> - integrated system links; - "E" invoicing; - user lead performance analysis – FWEB; - intelligent scanning. 	Q1 – Q4	5
Business Continuity	SRR08 - Green, ORR CS5 - Amber ANA - High	Audit have seat on Strategy Group. Continuous monitoring of management action especially in light of staff turnover and changes in structures. A check of contingency plans of providers/suppliers as well as the Council should providers fail.	Q1 – Q4	10
Firmstep Digital Platform	ANA - High	Audit partner at Project Board to provide support and challenge to the project and work undertaken by project teams. To assist, where appropriate, in ensuring the delivery of more effective and efficient processes for engaging with the public.	Q1 – Q4	15
Commercialisation	ANA - High	A review of the Council Strategy, culture, options appraisal and capability	Q1 – Q4	15
Alternative Service Delivery Vehicles (ASDV)	ANA - High	Business Case Assurance, Following the development and launch of the ASDV Toolkit, Audit will review how it is being utilised.	Q3	10
Co-operative Review of Services	ANA - High	Assistance in the "As is" review of "nominated" services. This will include data collection, mapping, service design.	Q1 – Q4	10

Other Chargeable Activities (not incorporated above)				
Corporate Governance	n/a	Support for Audit Committee, annual follow up for Audit Committee, corporate governance, internal audit standards, customer service excellence, audit development, liaison with external audit etc	Q1 – Q4	85
Completion of 2015/16 Audit Plan	n/a		Q1	27
Contingency	n/a		n/a	25

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

Appendix 2 – Audits currently deferred / un-resourced

Risk Area / Audit Entity	Audit Needs Assessment (ANA)	Proposed Audit Work	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Transformation and Change				
Printing and Documentation	ANA - Medium Client Request	Commercialisation Opportunities		10
Travel and Subsistence	ANA -Medium	Compliance spot checks and HMRC VAT compliance		3
People				
Care Act Compliance	ANA - low Client Request	Real time support and challenge on the continued implementation of the Care Act requirements (inc Deferred Payments).		7
Child Adolescent Mental Health Services (CAMHS)	ANA - Medium Client Request	Work based around review of service operation and prioritisation of service delivery within the resource limitations.		15
Homelessness & Temporary Accommodation	ANA - Medium	Examine the provision of services, compliance with statutory requirements and impact of future funding changes, additionally the links with Plymouth Community Homes.		10
Special Education Needs	ANA - Medium	Compliance review of the seven key principles of SEND 0-25 Code of Practice, identifying children's needs and arranging suitable services to meet these.		10
Place				
Integrated Transport Programme (inc Fleet Management)	ANA - Medium Client Request	Continuation of 2015-16 audit work on review of "gateways" to the four integration strands		5
Waste PFI	ANA - Low	Support to the Project Executive and Contract Team and on-going audit and assurance of contract management arrangements		5
Cross cutting				
Service Integration Management (SIM)	ANA - Low	Development of Commercialisation, Retained Client, Contract Management, Procurement. (Specific reviews elsewhere in the plan are looking at some of these areas providing some assurance)		25

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