



Internal Audit

Audit Plan 2009-10

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Steve Memmott

Head of Internal Audit

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INTERNAL AUDIT

Audit Plan 2009-10

Introduction

1. Internal Audit's role is to provide an independent and objective opinion to the Council on its control environment. In so doing, it provides an important element of assurance to inform the Annual Governance Statement which the Council must publish each year with its accounts. The Council must therefore maintain an adequate and effective system of internal audit throughout the year, in accordance with proper practices.
2. This effectively means that internal audit must be carried out in a manner which meets the requirements of the Code of Practice for Internal Audit in Local Government. The starting point for internal audit work is the setting of an audit plan at the beginning of each operational year. The plan must incorporate sufficient work to enable the Head of Internal Audit to give an opinion on the adequacy of the overall control environment, comprising the systems of governance, risk management, and internal control. Internal Audit must therefore have sufficient resources to deliver the audit plan.
3. The purpose of this report is to present officers and members with our first-year audit plan for Wiltshire Council 2009-10, with regard to the following:
 - The audit planning process, incorporating risk-based planning, departmental and corporate governance functions, and external audit liaison
 - significant issues having an impact upon the plan, in particular the transition from the former authorities to Wiltshire Council from April 2009
 - a summary of our available audit resources, and where these will be employed over the operational year.

The audit planning process

Risk-based audit planning

4. The Code of Practice for Internal Audit requires us to prepare a risk-based audit plan linked to the risk management process. This means we must have regard to the various risks involved across the range of services and activities, and plan our work in order to address those risks and the controls in place to mitigate them.
5. The risk information we have taken into account has come from various sources, including the Council's risk registers, and discussions with key officers in all departments. We also draw upon our own knowledge and experience built up from the findings of previous audit work. We have used this information to determine relative priorities for audit, and incorporated these into our planned work within service departments.

Departmental and corporate governance functions

6. In order to build upon our risk-based audits within departments, we need to gain assurances with regard to the operation of departmental and corporate governance processes. This means that for each department, we will need to review the internal governance arrangements which should ensure compliance with corporate policies and procedures.
7. In addition, there are a series of key corporate functions operating across the whole authority, on which we need to carry out overall assurance work. These are:
 - Corporate governance
 - Risk management
 - Financial management
 - Performance management
 - Information management
 - HR management
 - Procurement and contract management.
8. Taken together with risk-based departmental audit work, the review of these key corporate functions will provide a broad range of assurances to support our overall audit opinion on the control environment.

External Audit liaison

9. Each year our external auditors, KPMG, will look to place reliance on our work in a number of areas, and thereby maximise the benefit derived from the combined audit resources. We will therefore continue with the Joint Working Protocol which identifies a number of key systems and controls which contribute to the production of the Council's final accounts. These have been included in our audit plan, and in carrying out this work we will ensure that our external auditors have sufficient evidence to place full reliance on our work.

Significant Issues for 2009-10

10. The tables shown in the following pages set out our audit plans in respect of the following:
 - risk-based departmental audits
 - corporate and cross-cutting reviews to gain assurances on the operation of key controls, including the transition to Wiltshire Council
 - departmental and corporate governance audit work.
11. These plans amount to 2,500 productive audit days overall. In addition, in order to allow for reactive work (requests and investigations) which cannot reasonably be foreseen but will inevitably arise during the year, we have provided a contingency of 300 days.

Corporate Reviews and the Transition to Wiltshire Council

12. 2009-10 is the first year of the new Wiltshire Council, involving the merging of the five former authorities, together with the implementation of the new SAP system on 1 April, covering the finance, payroll, HR and procurement functions across the whole of the new authority. This clearly represents a series of major changes taking place at the same time, and therefore we must allocate sufficient resources to reviewing the operation of key control processes in the early weeks and months of the new authority coming into being.
 13. In addition, as the year progresses we will need to review the process for tracking the realisation of benefits from the reorganisation, and the extent to which those benefits are being achieved.
 14. Another important area for audit review will be to ensure that the revenues and benefits functions continue to operate adequately throughout the authority, in conjunction with the new cash receipting system.
 15. Furthermore, the transition will be a significant factor in relation to the risk of fraud and corruption. During such a period of organisational change and transformation the level of such risk can increase, and the present national economic circumstances can only serve to increase the risk further. Therefore we must respond accordingly, and will undertake a programme of work aimed at reviewing the principal areas of risk, but also to ensure that counter fraud policies and procedures are appropriate and properly understood and applied throughout the authority. In addition, we will seek to ensure that investigation work is properly co-ordinated and pursued to an appropriate conclusion where necessary.
 16. We will report progress against the audit plan regularly to the Audit Committee throughout the year. These reports will highlight significant emerging issues which need to be brought to members' attention. We will also summarise the results of all our work in our Annual Report, which will incorporate the audit opinion on the adequacy and effectiveness of the Council's control environment. This will provide an important source of assurance for the Annual Governance Statement.
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Internal Audit Plan 2009-10**Children and Education****200 days**

To include:

- Children's Services
 - Child protection
 - Childcare placements
 - Children's centres
- CareFirst system
- Procurement
- Partnerships

Schools Audits**400 days**

To include:

- FMSiS Assessments
- Risk Based Audits
- Themed Reviews

Community Services**280 days**

To include:

- Adult Care Services
 - Care placements
 - Learning difficulties
 - Physically impaired
 - Vulnerable adults
- CareFirst system
- Procurement
- Mental Health
- Transport
- FAB Team

Transport, Environment & Leisure**200 days**

To include:

- Highways
- Waste Management
- Car Parking
- Emergency Planning
- Leisure Centres
- CCTV

Internal Audit Plan 2009-10**Econ Dev, Planning & Housing** **170 days**

To include:

- Housing Services
 - Repairs
 - Strategic services
 - Service charges
 - Rents
- PFI
- Section 106 charges

Corporate & Cross-cutting Reviews **500 days**

To include:

- Corporate Financial Systems
- External Audit Reliance Work
- Revenues, Benefits & Cash
- Receipting
- Anti-Fraud & Corruption

Wiltshire Council Reorganisation **250 days**

To include:

- SAP Transition
- Controls Assurance
- Benefits Realisation

Departmental & Corporate Governance **500 days**

To include:

- Departments' Governance Arr'ts
- Corporate Governance
- Risk Management
- Financial Management
- Performance Management
- Information Management
- HR management
- Procurement & Contract Mgt