



# **Internal Audit Progress Report**

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## Introduction

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1. The purpose of this report is to:
  - Advise of progress being made with the Audit Plan 2012/13
  - Provide details of the audit work during the period
  - Provide details of the current position with agreed management actions in respect of previously issued reports
  - Raise any other matters that may be relevant to the Audit Committee role

## Key Messages

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2. Good progress has been made on the delivery of the Internal Audit plan for 2012/13. Performance of 56% up to December 2012 is significantly skewed downwards by the fact that many audits are at draft report stage (fieldwork complete) and the audits to be undertaken in Adult Services were agreed in December (see details later in this report). Further information on our performance targets can be found in paragraph 11.
3. Audit and Due Diligence – update:

We have completed twenty-six school audits and finalised ten County Council audits since our last progress report, none of which have resulted in limited assurance. A further twenty three County Council audits are in progress, the majority of which have had the fieldwork completed. Other significant work in this period includes our organisation wide assurance mapping activities and the development of our academy work.
4. Counter Fraud and investigations – update:

See separate progress report.

## Internal Audit work completed from September 1<sup>st</sup> to December 31<sup>st</sup> 2012

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5. The following audit work has been completed and a final report issued:

Full Assurance	Substantial Assurance	Limited Assurance	No Assurance
<ul style="list-style-type: none"> <li>■ Lincolnshire Enterprise Partnership</li> <li>■ Treasury Management</li> <li>■ Northolme Children's Home – establishment audit</li> </ul>	<ul style="list-style-type: none"> <li>■ Procurement Lincolnshire</li> <li>■ Children's Centres</li> <li>■ Children's Services Quality Assurance System</li> <li>■ Tax Compliance</li> <li>■ Lincoln Castle – establishment audit</li> <li>■ Q1 key control testing</li> <li>■ Q2 key control testing</li> </ul>		

Note: The assurance expressed is at the time of issue of the report but before the full implementation of the agreed management action plan. Definitions levels are shown in Appendix 1.

6. We are reporting no limited assurance audits in this quarter.

7. Progress with the implementation of agreed management action on recommendations for audits resulting in 'No' or 'Limited' assurance is followed up and reported in Appendix 2. The audit area includes:

- ICT starters and leavers – we have not received an update from management on actions taken.
- Creditors – the majority of recommendations have been implemented. The outstanding recommendation relates to updating Directorate scheme of authorisation. These are awaiting approval and publication, with a new target date of 31<sup>st</sup> March 2013.
- Safer Communities - we have not received an update from management on actions taken.

8. In the audits given Full and Substantial Assurance, we confirmed that the Council has sound processes in place:

### Lincolnshire Enterprise Partnership

Lincolnshire County Council provides a full and effective secretariat service to the Lincolnshire Enterprise Partnership Board. This support has enabled the board to carry out its business for the past two years and this should continue to be the case in future years. There are some processes still to be put in place, but management have a plan to introduce these.

### **Procurement Lincolnshire**

We are taking substantial assurance from the following which we have assessed as giving reliable positive assurance:

- Joint Lincolnshire Scrutiny Panel review of Procurement Lincolnshire 2011.
- Local Government Association Shared Services Research Project 2012
- Review undertaken by Procurement Lincolnshire Partners 2012.

### **Children's Centres**

Our work confirmed that financial processes within Children's Centres are operating effectively. There are adequate budget setting and monitoring arrangements in place and the Budget and Performance Officers provide a good level of support to budget holders. There are some common issues arising from the review where controls could be improved to strengthen processes, and the introduction of e-purchasing arrangements will help this, particularly in terms of evidencing approval of purchases and coding issues.

### **Children's Services Quality Assurance System**

Our audit work identified that there are adequate planning, reporting and monitoring arrangements in place around current quality assurance audits, however there are areas which could be strengthened to make systems more effective. Quality assurance measures are generating some positive changes to policy and procedures, although we found that productivity of the Quality Assurance Team could be increased. The direction of travel is improving.

### **Treasury Management**

The Treasury Management function continues to be well managed and compliant with agreed policies and processes. A minor issue is that the Treasury Management Practices document does not fully reflect the recent changes made to the Council's managerial structure and banking arrangements.

The Treasury Management Strategy Statement and the Annual Investment Strategy for 2012/13 had been reviewed and approved by the Value for Money Scrutiny Committee. There was also evidence of regular monitoring and reporting on the performance of investments and borrowing.

Our testing of the dealings confirmed the Treasury Management team continue to comply with the strategic approach and the agreed acceptable level of risk. This ensures a reasonable balance between security, liquidity and yield.

## **Tax Compliance**

We found that compliance with HMRC tax legislation is being appropriately controlled across the areas covered in the audit, with only minor issues around the control of pool/fleet vehicles.

Testing undertaken on the expenses and benefits currently covered by the dispensation awarded by HMRC confirmed the Council's continued compliance - only expenses and benefits not covered by the dispensation are reported on P11D forms.

The use of fleet vehicles across the Council is minimal and is purely for business purposes. We found that a record of fleet vehicles used by the Council is not currently provided to HMRC and vehicle log books are not consistently used to record each journey.

A previous audit identified weaknesses in the handling of tax for court of protection clients – we found that Mouchel have since updated their procedure and through testing we have confirmed that the tax liability is reviewed annually with tax returns submitted promptly.

## **Northholme Children's Home – Establishment Audit**

We found that 33 Northholme manages its finances well. The review highlighted areas where minor enhancements to current procedures would further improve existing processes, especially around VAT and the operation of the imprest account.

Some purchase orders were raised retrospectively. However, further inspection found that many of these are raised centrally and not by the home itself. The introduction of e-purchasing in December 2012 should improve the controls around this issue.

## **Lincoln Castle – Establishment Audit**

We found that the Castle generally manages its finances well. We have, however, highlighted some areas for improvement, mainly around the monitoring and security of income.

We also identified that a high proportion of purchase orders were raised retrospectively. This reduces control over the purchasing and budgeting processes. This again is an issue which should improve with the introduction of e-purchasing in December 2012 – we have also advised increasing the use of the procurement card and SAP framework orders to reduce the need for retrospective orders.

## **Quarter 1 and Quarter 2 – Key Control Testing**

Each quarter we complete a programme of due diligence tests on the fundamental financial systems e.g. payroll, creditors, debtors and pensions. This work programme tests not only the effectiveness of the key controls within these systems but also incorporates a range of fraud tests. The results of our testing in quarters 1 and 2 provide substantial assurance in these areas, with only low priority recommendations.

Each year the Council's External Auditors place reliance on aspects of our work covering the key financial systems – some of this reliance comes from our quarterly testing. The significant systems recently identified by External Audit are not currently covered by our quarterly testing, though some areas are included in our full systems audits of the Council's capital programme and pensions administration. We are therefore revising our quarter 3 testing programme to ensure we cover their testing requirements in the following areas:

- cash (bank reconciliation)
- non current assets (capital programme, asset register, valuation and physical verification of assets and disposal)
- general ledger (journals, suspense accounts, trial balance and system access rights)
- pensions admin / pensions fund

This will help ensure that the Council makes the best use of its combined audit resource.

We will continue our due diligence key control testing in April 2013 covering quarter 4 and year end transactions, but will expand this to incorporate key control tests in the four areas detailed above.

## **Audits in Progress**

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9. The following audits are currently in progress:

***Fieldwork complete, draft report being produced:***

- Carbon Reduction Commitment
- Coroners Office
- Youth Offending Case Management
- Strategic Communications
- Grantham Relief Road
- Energy from Waste Plant
- Property Rationalisation project
- Establishment audits x 3: Central Library, Haven Cottage (Respite Children's Home) and 91 Eastgate Children's Home.
- Pensions Administration

***Fieldwork in progress:***

- Early Intervention
- Child Protection Plans
- Mobile Computing & Remote Access
- Business Centres
- Fire & Rescue Service
- Out of County Provision
- Contract Management (compliance approach)

***Final Report being produced:***

By the time of the Audit Committee these audits may have been finalised. They are being reported on separately to the Committee by the Chief Information Officer.

- SAP Licensing & Security
- Software Licensing Management
- Electronic Data Management
- IT Asset Management

10. Comments on changes to the plan:

**Adult Social Care Audits**

Although an initial plan of audits was established for Adult Services it was not possible to determine the activities that would best benefit from an audit review until December. We have therefore amended the plan to include the following audits.

- Process Improvement Project support
- Project risk management
- Contract management
- Case management
- Referrals & contact management including safeguarding
- Night Support
- Emergency Duty Team

**ICT Applications**

We planned to commission two ICT application audits during 2012/13 with our ICT audit partner Deloitte. It has taken time to finalise the framework agreement and due to other commitments cannot be scheduled before 31<sup>st</sup> March 2013. These audits will be undertaken in in quarter 1 of 2013/14.



## **Due Diligence**

We have revised our initial plan of financial audits to incorporate the requirements recently communicated by our External Auditors – we have reduced our planned systems work in Payroll, Creditors and Debtors and have reallocated our quarter 3 key control testing. We will still have audit coverage in the 3 areas (payroll, creditors and debtors) from our quarterly testing and data analytics work. We will audit quarter 4 and year end transactions in April 2013.

## **Other Significant Work**

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11. Other work undertaken during the period includes:

### **Combined Assurance Model**

We have advanced our work on the Council's combined assurance model. The outcome of this work will help inform our Internal Audit plan for 2013/14 and the Annual Governance Statement 2013.

A separate report is being presented to the Committee on the outcome of this work. It provides an insight (snapshot) for each Director and the level of assurance they can place on their critical systems, key risks and key projects.

### **School Audits**

At the end of December, we have completed thirty seven school audits and fourteen, shorter, assurance visits. We assessed 76% with either Full or Substantial assurance and twelve schools had Limited assurance. The areas of improvement for these schools include:

- Maintenance of an up to date medium term financial plan and using it effectively for monitoring during the year
- The strengthening of reporting to governors so that they have sufficient and up to date information on which to base their decisions
- Calculation of outturn projections to the end of the year to improve financial planning
- Retention of information on quotes for goods and services provided to the school, to demonstrate value for money and compliance with financial regulations
- Completion of logs for expenditure on the Procurement card to provide a mechanism for checking and independent review of usage
- Keeping better records of monies collected in school and ensuring there is management supervision over income received.

We will follow up outstanding recommendations for audited schools at the end of this financial year.

## Academies

We have been working to sell audit services to those schools which have, or are planning to, become academies. We have:

- Visited a number of academies or provided proposals and quotes
- Produced information leaflets
- Updated our website
- Produced a generic academy finance manual

So far we have secured four academies, and are hopeful that a further three will agree to buy our services in the next month.

Working with academies in this way helps strengthen assurance arrangements over financial governance – an area of interest of the Audit Committee.

## Data Analytics

We have made progress with our data analytics work and have run a series of reports highlighting unusual patterns of expenditure and anomalies for further investigation. We are in the process of following up / investigating these exceptions and will report the outcome of our work at the end of the year.

## Performance Information

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12. Our current performance against targets is shown below:

Performance Indicator	Target	Actual 31/12/12
Percentage of plan completed	100% (revised plan)	56%
Percentage of recommendations agreed.	100%	100%
Percentage of recommendations implemented.	100% or escalated	Annual Report
Timescales	Draft report issued within 10 working days of completing audit.	100%
	Final report issued within 5 working days of closure meeting / receipt of management responses. Period taken to complete audit – by exception	100%
Client Feedback on Audit (average)	Good to excellent	Good to excellent

13. To date we have completed 56% of the annual audit plan. This is skewed downwards by the fact that the audits to be undertaken in Adult Services were only agreed in December (see details later in this report) and none had commenced by December 31<sup>st</sup>. Adjusting for these would give us an improved performance rate which would be consistent with our pattern of our work.

All remaining audits are scheduled in and barring unforeseen adjustments to the plan we are on target to complete our fieldwork and issue draft reports on all planned audits by 31<sup>st</sup> March 2013. Our detailed schedule is shown in Appendix 3.

## **Other Matters of Interest**

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### **Protecting the Public Purse 2012 by the Audit Commission**

14. This report finds that councils are targeting their investigative resources more efficiently and effectively, detecting more than 124,000 cases of fraud in 2011/12 totalling £179 million. But it urges them not to drop their guard, as new frauds are emerging in areas such as business rates, Right to Buy, housing discounts and schools.
15. The report gives the results of the Audit Commission's annual survey of English councils. It says that, despite these detection rates, more can still be done. The National Fraud Authority (NFA) estimates that the total amount of fraud in the UK costs every adult in the country about £1,460 a year. Fraud targeting just local government exceeds £2.2 billion per year.
16. There are a number of recommendations the Council and this Committee should consider when it reviews the effectiveness of its Counter Fraud Arrangements.
17. A copy of the full report can be found on the Audit Commission web site.

### **The Audit Committee's role in supporting the achievement of Value for Money**

18. Whilst the Council receives some assurance from its External Auditors over value for money – it is retrospective and will be annual at best.
19. Much of the assurance process will form part of the day to day business processes and financial Control of the Council. Where the Audit Committee can play a role, is to have oversight of how effective these arrangements are in practice and how these assurances are evaluated for the Annual Governance Statement. Some questions the Committee may ask are:
- What is the strategy for improving value for money? How effective is it in practice?

- What assurances does the Audit Committee receive on the Value for Money strategy? Is it from the right people?
- Does the Committee understand the Value for Money Strategy and how economy, efficiencies and effectiveness is addressed during service planning and setting the budget.
- What assurance is provided to the public on how well the Council manages it's money and provides value for money?

See CIPFA Better Governance Forum – Audit Committee Update – issue 9 October 2012

### **Public Sector Internal Audit Standards and Local Government Application Note**

20. The new standards will be issued by December 2012. They come into effect on the 1<sup>st</sup> April 2013 and will apply to public sector audit teams whether the service is provided in house, by a partnership or contracted out.
21. The Audit Committee should ensure that the Council's Internal Audit Service complies with the new standard. It is suggested that this is undertaken as part of the Annual Review of the system of Internal Audit and included in the Committee's work plan.

### **Good Governance Guidance Note and Addendum**

22. CIPFA issued an addendum and the new Guidance Note in December 2012. The Audit Committee should be aware of any changes in good practice as the addendum will apply to the Annual Governance Statement 2012/13. It is suggested that the Committee consider the impact of any changes to the Council's governance framework as part of its work plan

### **Information Governance**

23. The Information Commissioner has undertaken a number of audits in the public sector - key areas assessed included:
  - Data protection governance
  - Training & awareness
  - Records management
  - Security of personal data
  - Requests for personal data
  - Data sharing
24. They audited 19 local authorities and gave the following assurance ratings:
  - 37% fell within the reasonable assurance range.

- 53% fell within the limited assurance range.
  - 5% were identified as providing very limited assurance.
  - One local authority was identified as having a high level of assurance
25. There's a local authority toolkit available on the Information Commissioners web site by which Council's can assess their information governance arrangements against good practice and provide assurance over how the council handles its data and records.
26. This may be an area of assurance the Governance and Audit Committee may wish to include in its work plan.

## Appendix 1 - Assurance Definitions<sup>1</sup>

Full Assurance	<p>Our critical review or assessment on the activity gives us a high level of confidence on service delivery arrangements, management of risks, and the operation of controls and / or performance.</p> <p>The risk of the activity not achieving its objectives or outcomes is low.</p> <p>As a guide there are a few low risk / priority actions arising from the review.</p>
Substantial Assurance	<p>Our critical review or assessment on the activity gives us a reasonable level of confidence on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>There are some improvements needed in the application of controls to manage risks. However, the controls are in place and operating sufficiently so that the risk to the activity not achieving its objectives is medium to low.</p> <p>As a guide there are low to medium risk / priority actions arising from the review.</p>
Limited Assurance	<p>Our critical review or assessment on the activity identified some concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>The controls to manage the risks are not always being operated or are inadequate. Therefore, the risk of the activity not achieving its objectives is medium to high.</p> <p>As a guide there are medium and a few high risk / priority actions arising from the review.</p> <p>Our work did not identify system failures that could result in any of the following:</p> <ul style="list-style-type: none"> <li>- damage to the Council's reputation</li> <li>- material financial loss</li> <li>- adverse impact on members of the public</li> <li>- failure to comply with legal requirements</li> </ul>
No Assurance	<p>Our critical review or assessment on the activity identified significant concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>Our work identified system failures that could result in any of the following:</p> <ul style="list-style-type: none"> <li>- damage to the Council's reputation</li> <li>- material financial loss</li> <li>- adverse impact on members of the public</li> <li>- failure to comply with legal requirements</li> </ul> <p>The controls to manage the risks are not being operated or are not present. Therefore the risk of the activity not achieving its objectives is high.</p> <p>As a guide there are a large number of medium and high risks / priority actions arising from the review.</p>

<sup>1</sup> The assurance opinion is based on information and evidence which came to our attention during the audit. Our work cannot provide absolute assurance that material errors, loss or fraud do not exist.

## Appendix 2 - Outstanding recommendations as at 31<sup>st</sup> August 2012

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Audit Area	Date	Assurance	Number of Recs	Implem'd	Outstanding			Not Due Date
					H	M	L	
<b>Performance &amp; Governance</b>								
ICT Management	July 2012	Limited	8		1	6		1
ICT Starters and Leavers		Limited	4	2	2			
<b>Resources &amp; Community Safety</b>								
Creditors	June 2012	Limited	5	4	1			
Safer Communities	July 2012	Limited	9		6	3		

### Appendix 3 – Internal Audit Plan & Schedule 2012/13

Area	Days	Indicative Scope	Planned Start Date	Actual Start Date	Final Report Issued	Status / Assurance Level Given
<b>Performance &amp; Governance</b>						
Strategic Communications	10	Review of the arrangements in place for communication internally and externally, for managing the media, and engaging with our partners.	Oct 2012	Oct 2012		Fieldwork completed, draft report being produced
ICT Systems - Software Licensing - Electronic Data management - IT Asset management - DR	100	Individual audits of a selection of ICT management arrangements, the ICT infrastructure and applications	Jul 2012 Jul 2012 Jul 2012 Jan 2013	Jul 2012 Jul 2012 Jul 2012		Final reports being agreed, to be reported by CIO
Key Projects - Grantham Relief Road - Energy from Waste Plant - Property Rationalisation	30	Working with Programme Office to provide assurance that our key programmes and projects are being managed effectively to deliver successful results.	Sept 2012 Sept 2012 Sept 2012	Sept 2012 Sept 2012 Sept 2012		Fieldwork completed, draft reports being produced
<b>Sub Total</b>	<b>140</b>					
<b>Performance &amp; Governance - Due Diligence</b>						
Corporate Governance	10	Review the framework in light of changing environment – to ensure fit for purpose	Dec '12			Revised start date - February 2013



Area	Days	Indicative Scope	Planned Start Date	Actual Start Date	Final Report Issued	Status / Assurance Level Given
Programme Office	10	Assess effectiveness of process following the Head of Service review of arrangements	Feb '13			
Performance Management	15	Gain assurance on the effectiveness of the performance management arrangements to measure successful delivery of Council priorities.	Jan '13			
Big Society Members Grant	5	Assurance on the application and operation of the grant process including compliance and outcomes.	June 2012	July 2012	Sept '12	Limited Assurance
People Strategy	5	Understand & assess how the strategy supports the business to achieve an agile, skilled and motivated workforce	Dec '12			
<b>Sub Total</b>	<b>45</b>					
<b>Adult Services – Revised Plan December 2012</b>						
Process Improvement Project support	10	Provision of advice and support to the PIP	Jan '13			
Project risk management	5	Review of the adequacy of risk management arrangements in projects	Jan '13			

Area	Days	Indicative Scope	Planned Start Date	Actual Start Date	Final Report Issued	Status / Assurance Level Given
Contract management	15	Review of a number of contracts to ensure proper letting, monitoring and review	Jan '13			
Case management	15	Review of the case management to ensure correct process followed and approvals	Jan '13			
Referrals & contact management	5	Review of referrals to ensure proper assessment	Jan '13			
Night Support service	10	Review of the revised delivery model	Jan '13			
Emergency Duty Team	10	Review to ensure emergencies promptly and correctly dealt with	Jan '13			
Advice	0					
<b>Sub Total</b>	<b>70</b>					
<b>Children's Services</b>						
Early Intervention	15	Review of arrangements to identify and engage with families and support them in avoiding formal intervention.	Oct 2012	Oct 2012		Fieldwork in progress.
Children Centres	20	Review of children centres focussing on compliance with policies, performance monitoring and financial controls.	Sept 2012	Sept 2012	December 2012	Substantial Assurance
Child Protection Plans	15	To provide assurance that	Oct 2013	Oct 2013		Fieldwork in

Area	Days	Indicative Scope	Planned Start Date	Actual Start Date	Final Report Issued	Status / Assurance Level Given
		plans are developed and maintained in accordance with policy, and to safeguard the best interests of the child.				progress.
Adoption	10	Review of the arrangements for approving adopters, specifically with respect to rule changes in this area.	Jan 2013			
Out of County Provision	10	To provide assurance over the arrangements to review placements of children with additional needs.	Dec 2012	Dec 2012		Fieldwork in progress
Police Notification of Domestic Violence	10	To provide assurance on arrangements to assess and record police referrals.	Dec 2012	Jan 2013		
Quality Assurance Performance System	10	To review the checks the quality assurance team complete over compliance with policy, and standards for maintaining records. We are seeking to place assurance on the work of this team as part of the Council's combined assurance arrangements.	Jun 2012	Jun 2012	December 2012	Substantial Assurance
Schools	400	Mix of full school audits and assurance visits. Reviews	On-going through			

Area	Days	Indicative Scope	Planned Start Date	Actual Start Date	Final Report Issued	Status / Assurance Level Given
		give schools assurance around their financial management arrangements and the controls within their finance processes.	the year			
Advice	10					
<b>Sub Total</b>	<b>500</b>					
<b>Communities</b>						
Business Centres	10		Dec 2012	Dec 2012		Fieldwork in progress
Local Enterprise Partnership	20	Review of the arrangements in place to work with, and support, the LEP and through the LEP support businesses to develop and grow.	Jun 2012	Jul 2012	Sept 2012	Full Assurance
Capital and Regeneration Projects	20	Review of the overall management of capital projects and the application of robust project management arrangements for a selection of individual highways and regeneration projects.  Project selection will be based on significance and risk.	Jan 2013			
Carbon Reduction	10	Review the arrangements in	Phase II –	Nov 2012		Fieldwork completed,

Area	Days	Indicative Scope	Planned Start Date	Actual Start Date	Final Report Issued	Status / Assurance Level Given
Commitment		place to comply with the Environment Agency's requirements under the CRC, including sign off of the LCC Evidence Pack.	Nov 2012			draft report being produced
Advice	10					
<b>Sub Total</b>	<b>70</b>					
<b>Resources &amp; Community Safety</b>						
Fire & Rescue Service	20	1. Review of the provision of protective services, focussing on community programmes, partnership arrangements and stakeholder engagement. 2. Review of emergency response arrangements, including finance, admin and HR arrangements.	Dec 2012	Dec 2102		Fieldwork in progress
Legal Lincolnshire	10	Review to ensure that service standards are met, and there is effective stakeholder engagement with all clients, whilst delivering value for money.	May 2012	Jun 2012	Aug 2012	Full Assurance
Procurement Lincolnshire - Category Management	10	Review of the effectiveness of the category management model, and the development of supply market intelligence,	May 2012	May 2012	N/A	Substantial Assurance- relying on 3 <sup>rd</sup> party assurances

Area	Days	Indicative Scope	Planned Start Date	Actual Start Date	Final Report Issued	Status / Assurance Level Given
		to deliver clients needs and sustainable outcomes.				
Property Strategy / Estate Management	20	Review of estate management arrangements to ensure current and future needs are met, assets are maintained, and value for money is achieved.	Jan 2013			
Coroner's Office	5	Health check to ensure the duties of the coroner are delivered and legislative requirements are met	Nov 2012	Nov 2012		Fieldwork completed, draft report being produced
Registrars	5	Health check to ensure effective delivery of the service for births, deaths, marriages and other celebratory services, together with Civil Partnership and Citizenship work.	Jan 2013			
Safer Communities	20	Review to ensure effective partnership work, with priorities established and plans put in place, to reduce crime and improve the quality of life.	Apr 2012	Apr 2012	July 2012	Limited Assurance
Youth Offending - Safeguarding	15	Review of the arrangements, and partnership work, to	N/A			Full Assurance – relying on 3 <sup>rd</sup> party

Area	Days	Indicative Scope	Planned Start Date	Actual Start Date	Final Report Issued	Status / Assurance Level Given
		safeguard and promote the welfare of children known to the youth justice system.				assurance
Youth Offending - Case Management	15	Review of assessment process, partnership work, intervention process, and support provided to young offenders.	Oct 2012	Nov 2012		Fieldwork completed, draft report being produced
Advice	10					
<b>Sub Total</b>	<b>130</b>					
<b>Resources &amp; Community Safety – Due Diligence</b>						
Development & implementation of continuous audit - revise key financial systems testing	40	Review & update testing schedules / development of IDEA scripts (data interrogation & analysis) - link coverage with fraud risks	Aug 2012	Sept '12		Some slippage. Scripts developed, data interrogated – analysis and testing underway

Area	Days	Indicative Scope	Planned Start Date	Actual Start Date	Final Report Issued	Status / Assurance Level Given
<b>Financial Systems – revised plan</b>						
<ul style="list-style-type: none"> <li>■ Creditors</li> <li>■ Treasury Management</li> <li>■ Income</li> <li>■ Bank Reconciliation</li> <li>■ Payroll</li> <li>■ Pensions Administration</li> <li>■ Debtors</li> </ul>	<p>5</p> <p>10</p> <p>10</p> <p>10</p> <p>2</p> <p>20</p> <p>2</p>	<p>Ensure that the financial control environment in the systems is robust and working effectively.</p> <p>Review to assess if income and expenditure budgets are regularly monitored, appropriately controlled and reported.</p>	<p>Mar '13</p> <p>Aug '12</p> <p>Dec '12</p> <p>Feb '13</p> <p>Jan '13</p> <p>Nov '12</p> <p>Jan '13</p>	<p>Aug '12</p> <p>Dec '12</p> <p>Dec '12</p>	<p>Sept '12</p>	<p>Full Assurance</p> <p>Fieldwork ongoing</p> <p>Draft report stage</p>
Quarterly testing – key financial systems	35	To test key controls and transactions feeding into the Council's accounts in liaison with external audit.	Jul '12	Jul '12	N/A	Substantial
	Oct '12		Oct '12	N/A	Substantial	
Q3 testing now covering: cash, non current assets, general ledger, pension fund /pensions admin	36		Jan '13			
Financial and contract regulations: <ul style="list-style-type: none"> <li>■ LCC establishment visits (non-school) x 8</li> </ul>	30	To review the level of compliance with the Council's key financial procedures across 8 service areas	Aug '12	Aug '12	Ongoing	2 x final reports 3 x draft reports 1 x fieldwork ongoing



Area	Days	Indicative Scope	Planned Start Date	Actual Start Date	Final Report Issued	Status / Assurance Level Given
Capital Programme	20	Review compliance with financial regulations & assess the delivery arrangements for the approved programme, covering: project appraisal, funding, monitoring reporting & outcomes.	Feb '13			Rescheduled Q4
Tax Compliance	10	Ensuring the Council complies with relevant regulations regarding PAYE and Construction Industry tax	Aug '12	Aug '12	January '12	Substantial Assurance
Contract Management	10	Proactive approach – working with management to assess the development of the Commercial Unit (plans, structures & processes) – advisory role	Oct '12			
Review of contracts across directorates:	35	Probity work – covering tendering, service delivery & contract payments – “business as usual”	Oct' 12	Dec '12		Fieldwork ongoing
Advice	5	Advice provided to service areas when requested				
<b>Sub Total</b>	<b>280</b>					
<b>Total Audit Plan for 2012/13</b>	<b>1235</b>					