

Supplementary Committee Agenda



**Epping Forest
District Council**

Finance and Performance Management Cabinet Committee Monday, 15th March, 2010

Place: Committee Room 1, Civic Offices, High Street, Epping

Time: 6.30 pm

Democratic Services: Gary Woodhall (The Office of the Chief Executive)
Tel: 01992 564470
Email: gwoodhall@eppingforestdc.gov.uk

7. INTERNAL AUDIT BUSINESS PLAN 2009/10 (Pages 3 - 8)

(Chief Internal Auditor) To consider the attached report (FCC-026-2009/10).

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Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report reference: *FCC-026-2009/10*
Date of meeting: *15 March 2010*

Portfolio: Finance and Economic Development

Subject: Draft Audit Plan 2010/11

Responsible Officer: Brian Bassington (01992 564446).

Democratic Services Officer: Gary Woodhall (01992 564470).

Decisions Required:

To comment on the proposed Internal Audit Plan for 2010/11.

Executive Summary:

This report sets out the proposed audit plan for the year 2010/11.

Reasons for Proposed Decision:

To inform the Finance and Performance Management Cabinet Committee of the proposed Audit Plan for 2010/11 and to seek comments thereon.

Other Options for Action:

None.

Report:

1. In previous years the Audit Plan has formed part of the Internal Audit Business Plan which has been submitted to the Finance and Performance Management Cabinet Committee for comment prior to being presented to the Audit and Governance Committee for approval. The Internal Audit Business Plan has now been merged into the Office of the Chief Executive Business Plan and the annual Audit Plan 2010/11 appended to that document.
2. In compiling the plan, all fundamental financial systems are included, to provide Management and Member assurance in the controls in place for good financial management. The annual audit of these systems is also a requirement of the Council's External Auditors PKF.
3. The Risk Registers of each Service were reviewed and, time allocated for review of any high risk financial areas. Greater emphasis will be placed on the inclusion of value for money aspects where benefit has been identified as part of the consultation process with Directors.
4. The plan contains a contingency provision for investigations and other unplanned work during the year. There is also flexibility in the Plan so that audits can be substituted during the year in order to accommodate reviews of areas that are assessed as being of

higher risk to the achievement of the Council's objectives.

5. Progress against the approved Plan is kept under review during the year and any proposed amendments, once the Plan has been approved, would be subject to the approval of the Audit and Governance Committee, who will continue to monitor progress against the plan on a quarterly basis.

6. The plan will be presented to the Audit and Governance Committee on 29 March 2010.

Resource Implications:

From existing resources.

Legal and Governance Implications:

No specific implications.

Safer, Cleaner and Greener Implications:

No specific implications.

Consultation Undertaken:

Corporate Executive Forum and Service Directors.

Background Papers:

CIPFA Internal Audit Code of Practice, Audit reports, files and Service Risk registers.

Impact Assessments:

Risk Management

The preparation of a risk based audit plan, as part of the audit strategy, is a key part of the Council's governance arrangements. In approving the annual programme of audits, the Audit and Governance Committee, in conjunction with the Finance and Performance Management Cabinet Committee, should be assured that there is sufficient and appropriate coverage to address any risks to the achievement of the Council's objectives.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?
There are no equalities impacts.

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?
N/A

AUDIT PLAN 2010/11

Audit area	Audit type	Days allocated	Completed/ Provisional Timescale	Auditor
FINANCE AND ICT				
Finance				
Bank Reconciliation	system/follow up	15		in house
Sundry Debtors	system/follow up	20		contractor
Creditors	system/follow up	20		contractor
Treasury Management	system/follow up	15		in house
Budgetary Control (capital and revenue)	system/follow up	10		contractor
Risk Management and Insurance	system/follow up	15		in house
Main Accounting and Financial Ledger	system/follow up	15		contractor
Housing Benefits	system/follow up	25		in house
Council Tax	system/follow up	25		contractor
National Non Domestic Rates	system/follow up	15		in house
Cash receipting and Income control	system/follow up	15		in house
Cash receipting IT system	IT	5		contractor
Provision for 'top up' testing	systems	15		in house
Cash Office spot checks	verification	5		in house
ICT				
Environmental controls/backup procedures	system	10		in house
Data and Network Security	system/follow up	20		contractor
IT Procurement	reserve			contractor
Disaster recovery/business continuity	system	10		in house
IT System Logs	follow up	5		in house
TOTAL		260		
PLANNING AND ECONOMIC DEVELOPMENT				
Planning Fees	system	20		in house
Countrycare	system	10		in house
Building Control	follow up	5		in house
Environmental (use of natural resources)	system	15		in house
TOTAL		50		
ENVIRONMENT AND STREET SCENE				
Waste Management and Recycling	follow up	10		in house
Public Health	system	10		in house
Licensing Enforcement	system	15		in house
Car Parking	system	20		in house
Grounds maintenance	system	20		in house
North Weald airfield	establishment	15		in house
Leisure contract	contract	15		in house
TOTAL		105		
OFFICE OF THE CHIEF EXECUTIVE				
Electoral services – data quality		15		in house
TOTAL		15		

Audit area	Audit type	Days allocated	Completed/ Provisional Timescale	Auditor
Housing Rent Collection and Arrears	system/follow up	25		in house
House Sales and Leaseholder Services	system	20		in house
Depot	system/follow up	15		in house
Norway House	establishment	15		in house
Bed and breakfast contract	contract	5		in house
Homelessness prevention unit	VFM	10		in house
Stores - Depot stock take	stocktake	5		in house
Housing Repairs Working Group	management review	5		in house
Decorating allowance	system	5		in house
TOTAL		105		
PARTNERSHIPS AND VOLUNTARY SECTOR				
Local Area Agreements	system	15		in house
TOTAL		15		
COMMUNITY SERVICES AND CUSTOMER RELATIONS				
Year 2				
TOTAL				
CORPORATE SUPPORT SERVICES				
Human Resources				
Payroll	System/follow up	25		in house
Recruitment and Selection	Follow up	5		in house
Management of Sickness absence	Follow up	5		in house
Travel and Subsistence claims	verification	10		in house
Car Mileage claims	verification	10		in house
Lease Car Scheme	system	15		in house
Health and Safety Policy	system	5		in house
Estates/Facilities Management/Other				
Commercial Property portfolio	system/follow up	20		in house
Licensing	system	15		in house
Asset Management system	system	15		in house
Non-HRA Repairs	verification	5		in house
Fleet Operations income	system	5		in house
Reprographics	Follow up	5		in house
Legal				
Year 2				
TOTAL		140		

Audit area	Audit type	Days allocated	Completed/ Provisional Timescale	Auditor
MISCELLANEOUS				
Key and Local Performance Indicators	verification	15		in house
Business Plans	verification	10		in house
CONTRACTS				
Contract Compliance	System/follow up	15		in house
CORPORATE				
Corporate Procurement	system/follow up	10		contractor
Gifts and Hospitality (Officers)	system/follow up	10		in house
Gifts and Hospitality (Members)	system/follow up	10		in house
Data Protection Act	system	5		in house
Freedom of Information Act	system	5		in house
Follow up of Priority 1 Audit recommendations	follow up	7		in house
CORPORATE MEETINGS				
Governance Statement	management review	5		in house
Use of Resources work plan	management review	5		in house
Review of financial regulations and CSO's	management review	3		in house
FRAUD AND CORRUPTION				
National Fraud Initiative (NFI) - 2008		15		in house
TOTAL DAYS ALLOCATED				
Contingency/Spot checks/Minor investigations		30		in house
Corporate/Service Advice		65		in house
TOTAL		900		

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