

## Audit Committee 20<sup>th</sup> January 2011 Revised Internal Audit Plan

### REVISED INTERNAL AUDIT FOR 2010 – 2011

#### 1. Introduction

The Audit Committee were presented with the Internal Audit Strategy and Plan for approval on the 8<sup>th</sup> July 2010. In accordance with this document any changes made during the year affecting the plan by more than 20% would result in a revised plan being submitted to the Audit Committee.

2. The original plan was based on a total of 2,535 available days as set out in Table 1 below. As a result of changes in resources and an increase in requests from departments for audit involvement it has been necessary to revisit the plan to reflect these changes and ensure that the Audit Committee are kept fully informed. Although the changes do not represent in excess of 20% of the original plan, it is considered appropriate due to the number of changes that a revised plan is submitted to the Audit Committee for information.

**Table 1 – Resource Availability & Utilisation 2010/11 (days)**

<b>Resources Available</b>	<b>Total Days</b>	<b>Revised Days</b>
Total days Available	<b>2,535</b>	<b>2,271</b>
<b>Non Audit Time</b>		
Annual leave, Bank Holidays, Special leave, Maternity etc.	400	452
Non Chargeable – training, management & supervision, administration etc.	710	570
<b>Sub Total</b>	<b>1,110</b>	<b>1,022</b>

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<b>Time Allocated to Audit Work</b>		
Finance & Property	265	283
ICT & Customer Contact	274	230
Corporate Development and Partnerships	125	130
Legal and Regulatory Services	35	25
Children's (Including Schools)	301	341
Communities	170	80
Wellbeing	210	125
Cross Cutting	45	35
<b>Sub Total</b>	<b>1,425</b>	<b>1,249</b>
<b>OVERALL TOTAL</b>	<b>2,535</b>	<b>2,271</b>

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REVISED JANUARY 2011Property and Finance

<i>Area</i>	<i>Audit Scope</i>	<i>Revised Plan Days</i>	<i>Original Total days</i>
<i>Contingency</i>	<i>This contingency will be used for providing resources to undertake fraud and irregularity investigations.</i>	<i>20</i>	<i>15</i>
<i>Procurement</i>	<i>Review of procurement activity to ensure that this complies with the Council's policies and procedures including Contract Standing Orders, Procedure Rules and relevant legislation.</i>	<i>60</i>	<i>30</i>
<i>Capital Programme</i>	<i>Contract Audit – Evaluate appointment of architects, engineers, contractors etc, appraisal of the viability of a scheme. Carry out audit of a live project to ensure that monitoring exists and establish contractor cost and subsequent payment and variations.</i>	<i>40</i>	<i>40</i>
<i>Risk Management</i>	<i>Review of risk management procedures within Services. Maintenance and management of the risk register including the process for the addition, amendment and deletion of risks.</i>	<i>20</i>	<i>20</i>
<i>Prudential Code &amp; Invest to Save</i>	<i>Systems based approach considering key risk exposures. Include mapping of key control areas.</i>	<i>0</i>	<i>10</i>
<i>Taxation</i>	<i>The audit will focus on controls in place to ensure the completeness, promptness, accuracy and validity of Council Tax and NNDR transactions, including access restrictions, authorisations, accuracy checks on input, segregation of duties and error detection.</i>	<i>10</i>	<i>10</i>

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<i>Creditors</i>	Systems based approach considering key risk exposures. Include mapping of key control areas and liaison with external audit requirements. Testing to provide assurance that accurate, timely payments are made which are only to bona fide creditors for goods and services provided for the benefit of the Council.	23	30
<i>Insurance</i>	Review Insurance arrangements considering key risk exposures. Testing adequacy of input controls. The review will concentrate on the validation of the Insurance database to provide the necessary assurances to support the annual opinion.	20	20
<i>Main Accounting</i>	Systems based approach considering key risk exposures. Including mapping of key control areas and liaison with external audit requirements. Testing adequacy of input controls including feeder system interfaces into the general ledger and reconciliation of control and suspense accounts, review IT access controls.	20	20
<i>Sundry Debtors</i>	Systems based approach considering key risk exposure. Include mapping of key control areas and liaison with external audit requirements. Testing to provide assurance that all income due is identified, invoiced, collected and recorded accurately and timely, including checking of controls over income in a small sample of budget units.  Review debt management procedures and processes for community care and establish how debt is managed.	15	15
<i>Housing Benefit</i>	To consider Assessment/ Payment and Output; Overpayments; Rent Officer Referrals; Performance Review; Fraud Prevention and Detection; Accounting arrangements and Systems and Data security.	15	15
<i>Asset Management</i>	Evaluate controls in operation for the identification of assets, disposal and transfer to the fixed asset register system, together with the accounting processes which have been adopted. Assess how future costs of repairs and maintenance are being identified and budgeted for.	20	20

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<i>Building Maintenance</i>	Review of the procedures in place regarding the identification / prioritisation of work and the subsequent tendering, award and payment of work.	20	20
<i>Overall Total – Property &amp; Finance</i>		283	265

ICT & Customer Contact

<i>Area</i>	<i>Audit Scope</i>	<i>Revised Plan Days</i>	<i>Original Total days</i>
ICT Technical Infrastructure	<p>Review of controls in place surrounding the Council's ICT technical infrastructure. The focus of this work will be primarily (but not exclusively) concentrated on two main areas:</p> <p>Networks – Assessing the controls surrounding the access, security, delivery and availability of the various types of Council network such as Local Area Networks (LANS), Wide Area Networks (WANS).</p> <p>Data Centre(s) – Review controls surrounding the data centre(s) including data storage, power utilisation, backups and continuity and security arrangements.</p>	47	73
IT Policies and Information Management	<p>Review of IT Policies and procedures to ensure compliance.</p> <p>Review of controls for the management of information.</p>	30	35
GCSX Compliance	Assess compliance with GCSX standards prior to external assessment.	5	5

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PCI DSS	Ensure that stored cardholders data is protected and that the transmission of cardholder data across open, public networks is fully encrypted and that access to cardholder data is restricted by business need-to-know. Verify that there are regular testing of security systems and processes and that all access to network resources and cardholder data is tracked.	8	8
Application Controls	Review of access, security, delivery and availability controls for the various types of applications utilised by the Council.	41	53
Shared Services	To provide computer audit support to the Vale of Glamorgan Council under the Shared Services Agenda.	40	40
Computer Aided Techniques	To provide high volume data analysis on the Council's main financial systems using data modelling techniques such as "IDEA"	38	30
Project Support	To provide advice and guidance on expected controls for new and developing ICT projects.	21	30
<b>Overall Total – ICT &amp; Customer Contact</b>		<b>230</b>	<b>274</b>

Corporate Development and Partnerships

<i>Area</i>	<i>Audit Scope</i>	<i>Revised Plan Days</i>	<i>Original Total days</i>
Contingency	<i>This contingency will be used for providing resources to undertake fraud and irregularity investigations.</i>	40	10
Communications & Marketing	Effective consultation and communication with staff and stakeholders is an important element of Council's business. This review will examine the effectiveness of the Council's communication and Consultation Strategy and the mechanisms used to consult staff and stakeholders.	0	15

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<b>Policy and Performance</b>	<b>Audits to confirm the accuracy of reporting a small basket of indicators. Each audit will cover 5 indicators. The audit will review controls in place to mitigate risks that:</b> <ol style="list-style-type: none"> <li><b>1. Performance measures may not be properly defined,</b></li> <li><b>2. There may not be a sound methodology for calculating the indicators,</b></li> <li><b>3. Data quality is poor,</b></li> <li><b>4. Performance may be reported inaccurately.</b></li> </ol>	<b>5</b>	<b>20</b>
<b>Elections</b>	<b>Review the elections and managing the electoral registration process to ensure key controls are present.</b>	<b>10</b>	<b>10</b>
<b>Scrutiny</b>	<b>Annual review of Corporate Governance Arrangements.</b>	<b>15</b>	<b>20</b>
<b>Transactional HR</b>	<b>Substantive “Cradle to Grave” approach, following through samples of payments for example, permanent and temporary changes to pay. Testing to include authorisation controls at budget managers level. Review of IT access controls.</b> <b>Recruitment and Selection</b> <b>Staff Expenses</b> <b>Absence Management</b>	<b>60</b>	<b>30</b>
<b>Health &amp; Safety</b>	<b>Provide assurance that there is a programme in place to ensure that BCBC owned and managed assets comply with fire Safety Order. Verify procedure for undertaking fire risk assessments.</b>	<b>0</b>	<b>20</b>
<b>Overall Total – Corporate Development &amp; Partnerships</b>		<b>130</b>	<b>125</b>

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<i>Area</i>	<i>Audit Scope</i>	<i>Revised Plan Days</i>	<i>Original Total days</i>
Contingency	<i>This contingency will be used for providing resources to undertake fraud and irregularity investigations.</i>	10	10
Cabinet Committee &	To review Corporate Governance arrangements	0	10
DPA/FOI	To provide assurance that adequate controls are in place for the administration of DPA / FOI requests.	15	15
<b>Overall Total – Legal &amp; Regulatory Services</b>		<b>25</b>	<b>35</b>

Children's Directorate

<i>Area</i>	<i>Audit Scope</i>	<i>Revised Plan Days</i>	<i>Original Total days</i>
Contingency	<i>This contingency will be used for providing resources to undertake fraud and irregularity investigations.</i>	70	15
Education Grants (WAG)	To certify that education grants are fairly stated and in accordance with their grant conditions.	30	10
School Improvement	Review schools improvement strategy and provide assurance on the progress being made. Assess action being taken to manage directorate risk.	0	15



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Amalgamation of Schools	Review of the major administrative and financial systems operating in amalgamated schools.  School admissions – undertake a full review of processes including preventative controls to minimise fraudulent applications.	25	25
Catering Service	Review of systems for the collection, recording, banking and monitoring of the School meals provision by Catering Services.	20	20
Home to School Transport	Review of the home to school transport provision to confirm the arrangements meet pupil needs whilst achieving value for money.	5	5
Out of County Placements	Review of the systems for the out of County Placements for children in particular the costs incurred and whether Best Value is obtained.	15	15
Council Residential Homes	Review of the major administrative and financial systems operating in selected Residential Homes.	20	20
Fostering Agency	Review the arrangements in place for the fostering agency to ensure best value is being obtained.	10	10
Assessment Care Management	Review of the systems for the commissioning of care including contracts with independent providers and the third sector.	0	20
Fostering – in house provision.	This audit will provide assurance on the robustness of the recruitment processes from recruitment advertising to foster appointments.	10	10
Adoption	Review of the systems for the administration of adoption.	15	15
Direct Payments	The audit will cover, initial entitlement, continuing entitlement and accuracy of payments. Provide assurance that cases are being proactively reviewed.	10	10
Programme of	Compliance with approved policies and procedures. The schools selected	111	111

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School visits	for review will be identified through a risk assessment so that resources are targeted towards the higher risk schools.		
<b>Overall Total - Children's</b>		<b>341</b>	<b>301</b>

Communities Directorate

<i>Area</i>	<i>Audit Scope</i>	<i>Revised Plan Days</i>	<i>Original Total days</i>
Contingency	<i>This contingency will be used for providing resources to undertake fraud and irregularity investigations.</i>	20	20
Physical Regeneration Projects.	Review of the major administrative and financial systems operating and contract arrangements within Physical Regeneration. Review a sample of initiatives where external funding has been secured to ensure compliance with any terms and conditions. Audit involvement should be aligned to the Directorate priorities in relation to regeneration.	10	10
Housing Options & Homelessness	Audit will provide assurance over the financial management and administrations which will include where appropriate procurement, contract management and money management processes in Homelessness. To review the process and procedures for B & B accommodation. Audit involvement should be aligned to the Directorate priority of preventing homelessness.	0	10
Countryside and Tourism.	Review of the major administrative and financial systems operating within Countryside and Tourism. Audit involvement should be aligned to the priorities as set out in the Directorate Plan (e.g. improve access to green spaces – Tourism Strategy).	0	10
Community	Review CCTV and compliance with Data Protection. In addition Audit	0	10

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Safety	involvement should be aligned to the priorities in the Directorate Plan (e.g. ASB Performance framework, Accident remedial scheme).		
Supporting People	The review undertaken during the year will focus on providing the necessary assurance to the Director that financial management processes and procedures are operating effectively within the area of supporting people. The review should be aligned to the Directorate priority of a Supporting People Operational Plan.	0	15
Waste Disposal MREC	To review contract monitoring arrangements in place in relation to the Waste disposal contract (MREC). Review to include performance monitoring and reporting arrangements, systems for dealing with disputes as well as monitoring contract costs.	10	10
Waste Collection	Review of the major administrative and financial systems operating within the Waste Collection service. Audit involvement should also be aligned to the Directorate priority of robust controls at CA sites to reduce quantity of commercial waste being illegally deposited.	10	10
Street Lighting	Review control over programme / schedule of inspections. Ensure that repair work undertaken is cost effective.	10	10
Highways Maintenance	Review control over programme /schedule of inspections. Ensure that repair work is cost effective.  Review of the management and control in the planning, organisation and performance of cyclical maintenance work.	10	10
Car Parks	Review collection of income arrangements and charging policies and procedures to ensure maximisation of income.	0	15
Emergency Planning	Review the emergency plans relating to major incidents to ensure.	10	10
Grounds	Review the contract arrangements in place for the provision of the grounds	0	10

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Maintenance	maintenance service. In particular and if applicable to examine the use of agency and budget overspends.		
Highways Services	Review of the procedures in place regarding the identification / prioritisation of work and the subsequent tendering, award and payment of work.	0	10
Parks & Open Spaces.	Review the contract arrangements in place for the provision of the Parks and Open Spaces service. In particular procurement arrangements.	0	10
Overall Total - Communities		80	170

Wellbeing Directorate

<i>Area</i>	<i>Audit Scope</i>	<i>Revised Plan Days</i>	<i>Original Total days</i>
Contingency	<i>This contingency will be used for providing resources to undertake fraud and irregularity investigations.</i>	15	15
Residential Care	Establishment reviews of processes and procedures in Residential Care Homes for the elderly. Review to include placements made in Independent Sector Residential and Nursing Homes. Audit involvement should be aligned to the Directorates project on achieving savings and meeting future needs of this service.	20	20
Supported Living	Review of the systems for the provision of care and housing related support including the not for profit independent providers.	20	20
Day Care	Review of the systems for the provision of day care ensuring best value is being achieved.	20	20

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Shared Lives	Systems based approach considering key risk exposures. Include mapping of key control area. Testing to provide assurance that administration and financial procedures are operating effectively.	0	10
Home Care	Review the systems and procedures for the provision of home care. Audit involvement should be aligned to the Directorate project on achieving savings and meeting future needs of this service.	0	20
Assessment and Care Management	Systems based approach considering key risk exposures. Include mapping of key control area. Testing to provide assurance that administration and financial procedures are operating effectively.	10	20
Equipment and Adaptations	Review spends on equipment that is being made to ensure disabled facilities grants are being utilised where appropriate.	0	20
Direct Payments	Systems based approach considering key risk exposures. Include mapping of key control area. Testing to provide assurance that administration and financial procedures are operating effectively.	0	15
Sports Centres & Swimming Pools	Systems based approach considering key risk exposures. Include mapping of key control area. Testing to provide assurance that administration and financial procedures are operating effectively. Audit involvement should also be aligned to the Directorate project on reconfiguration of the service.	30	30
Library & Information Services.	Systems based approach considering key risk exposures. Include mapping of key control area. Testing to provide assurance that administration and financial procedures are operating effectively. Audit involvement should also be aligned to the Directorate project improving the library infrastructure and the quality of service.	10	20
<b>Overall Total - Wellbeing</b>		<b>125</b>	<b>210</b>

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<i>Area</i>	<i>Audit Scope</i>	<i>Revised Plan Days</i>	<i>Original Total days</i>
Follow Up	To undertake follow up work on the recommendations made during 2009/10 audit year to ensure that management have implemented those of high risk.	25	25
Assurance from External Inspections	Undertake a review of the External Inspection reports issued during the year to ensure recommended actions are being addressed.	10	10
National Fraud Initiative.	Key contact role and co-ordination of investigation of matches from National Fraud Initiative. This also recognises that matches involving payroll records will need to be investigated by Internal Audit staff.  Review sample of areas that fall under the NFI data matching exercise and ensure that appropriate fair processing notices are in place.	0	10
	<b>Overall Total</b>	<b>35</b>	<b>45</b>
	<b>Grand Total</b>	<b>1,249</b>	<b>1,425</b>