

**WYRE FOREST DISTRICT COUNCIL****AUDIT COMMITTEE**  
**16TH MARCH 2009****Strategic Audit Plan 2009 - 2012**

<i>AN OPEN ITEM</i>	
<b>SUSTAINABLE COMMUNITY STRATEGY THEME</b>	Internal Organisational Theme
<b>CORPORATE PLAN AIM:</b>	A Well-run and Responsive Council
<b>CABINET MEMBER:</b>	Councillor Nathan Desmond
<b>RESPONSIBLE OFFICER:</b>	Head of Financial Services
<b>CONTACT OFFICER:</b>	David Buckland Extension No 2100 david.buckland@wyreforestdc.gov.uk
<b>APPENDIX</b>	Appendix 1 - Strategic Audit Plan 2009 – 2012

**1. PURPOSE OF REPORT**

- 1.1 To inform members of the Internal Audit – Strategic Audit Plan 2009 –2012.

**2. RECOMMENDATION**

**The Audit Committee is asked to RECOMMEND approval to Cabinet of:**

- **The Internal Audit – Strategic Audit Plan 2009 – 2012, attached as Appendix 1 to the report.**

**3. BACKGROUND**

- 3.1 The management of the authority are obliged to safeguard public funds and use them in a way which provides value for money and thereby best value. An effective internal audit service is vital in helping management to meet these important duties, since it is an independent appraisal function for the review of the entire internal control system.
- 3.2 The role played by Internal Audit is key in assessing the internal controls in operation and making recommendations for improvement. Further the role assists in the prevention and detection of fraud and working with managers to the Council's corporate plan striving for continuous improvement.
- 3.3 Internal Audit operates in accordance with CIPFA's professional standards and guidelines outlined in the Code of Practice for Internal Audit in Local Government in the United Kingdom 2003 together with the recently adopted International Auditing Standards.
- 3.4 The Internal Audit Strategic Plan 2009 – 2012 provides the overall direction for the Internal Audit service working in partnership with the External Auditors to minimise the overall audit cost to the authority. The plan prioritises the areas to be audited over the period and allocates internal audit resource to each area based on an Internal Audit needs assessment evaluating the materiality and risk of the authority's activities.

- 3.5 The strategic plan is viewed flexibly as issues may arise during the currency of the plan which divert Internal Audit away from planned work. The plan is therefore seen as a statement of intent that can be amended as necessary without having a damaging effect on the overall direction of the internal audit service. The strategic plan has been prepared in accordance with the approved Internal Audit – Terms of Reference.
- 3.6 At the end of each year the plan is rolled forward to take into account any changes in priorities or risk.
- 3.7 Performance of the service is monitored against this plan each quarter during the year by way of a quarterly audit report to members, to the Corporate Management Team and to the external auditors, Audit Commission.

#### **4. KEY ISSUE**

- 4.1 The Internal Audit Strategic Plan 2009 – 2012 provides the overall direction for the Internal Audit service working in partnership with the External Auditors to minimise the overall audit cost to the authority.
- 4.2 It should be noted that the resources available for Internal Audit are lower than in previous years, as a direct result of the Divisional Management Restructure. This has seen a reduction from a forecast of 930 days in 2008/09 to 675 days in 2009/10. A prioritisation exercise has been undertaken to ensure that all high risk areas will be reviewed within this Audit Plan.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 There are no financial implications arising from this report.

#### **6. LEGAL AND POLICY IMPLICATIONS**

- 6.1 It is a statutory requirement that this authority has an Internal Audit service. The authority has delegated these powers to the Head of Financial Services (Section 151 Officer) as provided in the Council's Constitution – Financial Procedure Rules (Financial Regulations).

#### **7. RISK MANAGEMENT**

- 7.1 The Strategic Audit Plan 2009 - 2012 has been prepared on the basis of Internal Audit's assessment of the risk of the authority's services which has taken into account entries included within the corporate risk register.
- 7.2 The risk management environment at the authority is in the process of being developed and is not sufficiently developed to enable the identification of internal controls being mapped to risks.
- 7.3 As identified within 4.2 as a result of the Divisional Management Restructure, there are fewer days available for Internal Audit in 2009/10. This position will be managed by the Head of Financial Services to ensure that all high risk areas are reviewed.

#### **8. CONCLUSION**

- 8.1 The Strategic Audit Plan 2009 – 2012 summarises the work to be undertaken and provides the overall direction for the Internal Audit section. It is presented to members

in accordance with the Terms of Reference for the Internal Audit section as approved by the Council.

**9. CONSULTEES**

9.1 Corporate Management Team

**10. Background Papers**

Executive 30<sup>th</sup> October 2003 – Internal Audit – Terms of Reference  
Cabinet 23<sup>rd</sup> November 2006 – Internal Audit – Terms of Reference Update

# **INTERNAL AUDIT SECTION**

## **STRATEGIC AUDIT PLAN**

**2009 - 2012**

**WYRE FOREST DISTRICT COUNCIL**

**STRATEGIC AUDIT PLAN 2009 TO 2012**

		<u>Year 1</u> <u>2009/10</u> <u>Days</u>	<u>Year 2</u> <u>2010/11</u> <u>Days</u>	<u>Year 3</u> <u>2011/12</u> <u>Days</u>
Systems and Probity	<b>NOTE 1</b>	450	450	450
Computer Audit	<b>NOTE 2</b>	40	40	40
Bought in Computer Audit	<b>NOTE 2</b>	50	50	50
Contract Audit	<b>NOTE 3</b>	40	40	40
Sub-total Planned Work		580	580	580
Consultancy and Advice		40	40	40
Irregularity Contingency		40	40	40
Specific Service Duties	<b>NOTE 4</b>	15	15	15
<b>WORKLOAD</b>		675	675	675
<b>AVAILABLE DAYS</b>	<b>NOTE 5</b>	674.5	674.5	674.5

**NOTES**

- 1** The days per service are shown on Pages 2 to 10.
- 2** An analysis of the areas covered is shown on Page 11
- 3** An analysis of the areas covered is shown on Page 12
- 4** A breakdown of the specific service duties follows on Page 13
- 5** An analysis of the available days is shown on Page 14

**OVERALL COMMENTS**

The plan does not allow for any work be carried out on Best Value or Value for Money services reviews for any sections

## Summary 2009

Directorate	Page	- System Audit Days
Corporate systems	5	140
Community & Partnership Services	6	40
Resources	7	165
Legal & Corporate Services	8	45
Planning & Regulatory Services	9	40
Chief Executive	10	20
<b>TOTAL</b>		450

## Summary 2010

Directorate	Page	- System Audit Days
Corporate systems	5	140
Community & Partnership Services	6	50
Resources	7	190
Legal & Corporate Services	8	15
Planning & Regulatory Services	9	45
Chief Executive	10	10
<b>TOTAL</b>		450

## Summary 2011

Directorate	Page	- System Audit Days
Corporate systems	5	155
Community & Partnership Services	6	40
Resources	7	150
Legal & Corporate Services	8	30
Planning & Regulatory Services	9	55
Chief Executive	10	20
<b>TOTAL</b>		450

**WYRE FOREST DISTRICT COUNCIL**

**STRATEGIC AUDIT PLAN 2009 TO 2012**

**CORPORATE SYSTEMS**

	<b><u>Year 1</u> <u>2009/10</u> <u>Days</u></b>	<b><u>Year 2</u> <u>2010/11</u> <u>Days</u></b>	<b><u>Year 3</u> <u>2011/12</u> <u>Days</u></b>
Annual Governance Statement	10	10	10
Car Loans	0	0	10
Civil Contingencies Act & Business Continuity planning	0	0	10
Corporate Dress	0	5	0
Corporate Governance Note 1	25	25	25
Creditors Note 2	30	30	30
Debtors	5	5	5
Employee Professional Subscriptions	5	0	0
Flexible working Hours	0	0	10
Insurance	10	0	0
Inventories	0	10	0
Petty cash payments	10	10	10
Post Opening Procedures Note 3	10	10	10
Postal/Frinking machine costs	5	5	5
Procurement & corporate contracts	10	10	10
Scale of Charges Note 4	20	20	20
TOTAL	140	140	155

**Note 1**      **Includes items from the Following Areas:**  
Anti Fraud & Corruption policies & strategies;  
Data Protection; Freedom of Information; ICT security;  
Records Management; Register of members interests;  
Standing orders relating to Contracts & Financial Regulations;  
Scheme of delegation; Corporate Governance Framework;  
Code of conduct for employees & members;  
Employee register of interests, gifts & hospitality  
Use of Resources Assessment

**Note 2**      **Includes:**  
Periodical Payments and Payments Using Procurement Cards

**Note 3**      As required by the Audit Commission ~ Benefit Fraud Inspectorate

**Note 4**      **Includes Items from approved Income Service Options not covered elsewhere within the Plan**

**Items Covered on a Rolling Basis:**  
Allotments; Blue Badges; Open Spaces; Other Sports Facilities;  
Weighbridge; Playschemes; Young rangers;  
Air Pollution; Copy Documents; Ordnance Survey; Minutes & Agendas  
Electoral Registers; Bulky Refuse Collection;

**WYRE FOREST DISTRICT COUNCIL**

**STRATEGIC AUDIT PLAN 2009 TO 2012**

**COMMUNITY & PARTNERSHIP SERVICES**

**Director of Community and Partnership Services**

	<b><u>Year 1 2009/10 Days</u></b>	<b><u>Year 2 2010/11 Days</u></b>	<b><u>Year 3 2011/12 Days</u></b>
Bewdley Museum	5	0	0
CCTV	5	5	0
Cemetery	0	10	0
Community Data Base	0	5	0
Electronic Government including IEG	0	10	0
Management of Leisure contract	0	0	10
Partnerships	10	0	0
Play schemes	0	0	10
Worcestershire Hub      Note 1	20	20	20
TOTAL	40	50	40

**Note 1**      Includes Cashiers and Cash to Bank; Reception & Switchboard functions; monitoring of Hub partnership agreement; e-shop reporting



**WYRE FOREST DISTRICT COUNCIL**

**STRATEGIC AUDIT PLAN 2009 TO 2012**

**RESOURCES**

**Director of Resources**

	<b><u>Year 1 2009/10 Days</u></b>	<b><u>Year 2 2010/11 Days</u></b>	<b><u>Year 3 2011/12 Days</u></b>
Accounting Note 1	20	20	20
Accounting and Budgeting (Depot)	0	10	0
Benefits Note 2	30	30	30
Budget control & monitoring	10	10	10
Concessionary Travel	10	0	0
Council Tax	15	15	15
Debtors - Housing Advances	0	0	5
Garage & Vehicle Maintenance	0	10	0
Internet/Email Access & Usage	5	5	5
Leasing	0	5	0
Network Security ICT Main Controls	0	0	10
NNDR	15	15	15
Payroll Inclusive of Travel Claims	20	20	20
PAYE	10	0	0
Risk Management Note 3	10	10	10
Treasury Management	10	10	10
VAT	0	10	0
Trade Waste	0	10	0
Waste Collection & Recycling-Domestic	10	0	0
Wireless Technology	0	10	0
TOTAL	165	190	150

- Note 1** Includes Bank Reconciliation; Journals & Transfers; Agresso FMS  
Includes Benefit payments; Overpayments; Performance Standards;
- Note 2** NI's;  
Rent Referrals; Statistical & Subsidy returns
- Note 3** Includes Covalent:Web-Based Risk Management System

**WYRE FOREST DISTRICT COUNCIL**

**STRATEGIC AUDIT PLAN 2009 TO 2012**

**LEGAL AND CORPORATE SERVICES**

**Director of Legal and Corporate Services**

	<b><u>Year 1 2009/10 Days</u></b>	<b><u>Year 2 2010/11 Days</u></b>	<b><u>Year 3 2011/12 Days</u></b>
Asset Management Plan/Property/Fixed Assets	20	0	0
Debt Recovery Procedures	0	10	0
Electoral Registration & Elections	10	0	0
Land Charges	5	0	0
Management of Town & Civic Halls	0	0	10
Member Allowances	10	0	0
Records	0	0	5
Tender Opening & Recording	0	5	0
Terrier	0	0	5
Trading Estates & Property Debts	0	0	10
TOTAL	45	15	30

**WYRE FOREST DISTRICT COUNCIL**

**STRATEGIC AUDIT PLAN 2009 TO 2012**

**PLANNING AND REGULATORY SERVICES**

**Director of Planning and Regulatory Services**

	<b><u>Year 1</u></b> <b><u>2009/10</u></b> <b><u>Days</u></b>	<b><u>Year 2</u></b> <b><u>2010/11</u></b> <b><u>Days</u></b>	<b><u>Year 3</u></b> <b><u>2011/12</u></b> <b><u>Days</u></b>
Building Control	10	0	0
Care & Repair Services	0	10	0
Car Parks	0	0	10
Development Control	0	10	0
Food Safety Inspections	0	0	10
Hackney Carriages & Private Hire	0	0	10
Improvement Grants incl DFG's	0	10	0
Licensing - Liquor	10	0	0
Licensing & Registration	10	0	0
Litter Notices	0	0	5
Markets	0	5	0
National Land & Property Gazetteer	0	10	0
On Street Parking	0	0	10
Pest Control: Dogs, Rats & Wasps	10	0	0
WFCH Agency including homeless	0	0	10
TOTAL	40	45	55

**WYRE FOREST DISTRICT COUNCIL**

**STRATEGIC AUDIT PLAN 2009 TO 2012**

**CHIEF EXECUTIVE**

**Chief Executive**

	<b><u>Year 1 2009/10 Days</u></b>	<b><u>Year 2 2010/11 Days</u></b>	<b><u>Year 3 2011/12 Days</u></b>
Data Quality	5	5	5
Performance Management <span style="float: right;">Note 1</span>	5	5	5
Recruitment	0	0	10
Training Expenses	10	0	0
TOTAL	20	10	20

**Note 1** Includes Covalent computer system

**WYRE FOREST DISTRICT COUNCIL**

**STRATEGIC AUDIT PLAN 2009 TO 2012**

**Computer Audit ( 40 days per annum)**

**Assistance & advice to users re:**

ICT Strategy and Implementation

BACS

Computer Operations

ICE Group

Electronic Government

Internet Security & email Policy Procedures

Project Management

Systems Development & Feasibility Studies

Follow Up Work Relating to Bought in Computer Audit Reviews

**Bought in Computer Audit - 50 days per annum**

Services to be provided by the Internal Audit section of the City of Worcester Council

	<u>Year 1</u> <u>2009/10</u> <u>Days</u>	<u>Year 2</u> <u>2010/11</u> <u>Days</u>	<u>Year 3</u> <u>2011/12</u> <u>Days</u>	<b>Lead Directorate</b>
Application Control Reviews:				
Civica Fraud Benefits	-	-	5	Resources
Agresso FMS Inc Phase II		10	5	Resources
Cairo Minutes	5			Legal & Corporate
CHRIS Payroll		5		Resources
Personnel		5		Chief Executive
Radius Cash receipting			10	Community
IBS Benefits		10		Partnerships
Council Tax		10		Resources
NNDR		10		Resources
Innogistic Planning	10			Planning & Regulatory
MVM Environmental Health	10			Planning & Regulatory
ONYX e-shop	10			Community
PICKWICK Elections			5	Partnerships
GGP	10			Legal & Corporate
Internet, Website & E-Mail Security			10	Resources
<b>Other areas:</b>				
Including Anite DIP;		0	5	Corporate
IPF Asset management; Land	5			Legal & Corporate
Land Charges MisPlus6			10	Legal & Corporate
<b>TOTAL</b>	<b>50</b>	<b>50</b>	<b>50</b>	

**Note:**

Covalent Web Based System for Risk Management & Performance Management is included within their respective Directorates

**WYRE FOREST DISTRICT COUNCIL**

**STRATEGIC AUDIT PLAN 2009 TO 2012**

**Contract Audit ( 40 days per annum)**

Contract Audit Includes:

- Contract Specifications
- Tendering Process including Opening & Recording
- Award of
- Contract
- Contract Monitoring
- Contract Payments
- Contract
- Register
- Final accounts as appropriate
- Post contract reviews

On contracts selected from the approved Revenue & Capital Budgets

- Single Site
- Crematorium
- Disposal of Council
- Assets

**WYRE FOREST DISTRICT COUNCIL**

**STRATEGIC AUDIT PLAN 2009 TO 2012**

**SPECIFIC SERVICE DUTIES**

- 1 Monitoring of the Issue of and control of cheques  
Advice/Assist National Fraud
- 2 Initiative
- 3 Year End reconciliation of Petty Cash  
balances
- 4 Monitoring of Salaries/Wages BACS Limits

**WYRE FOREST DISTRICT COUNCIL**

**STRATEGIC AUDIT PLAN 2009 TO 2012**

**AVAILABLE AUDIT DAYS**

	<b>Bought In Audit Reviews</b>	<b>Principal Auditor</b>	<b>Senior Auditor (PT) (22.5Hrs)</b>	<b>Auditor</b>	<b>Auditor (Part- time) 30 hrs</b>	<b>TOTAL PA</b>	<b>TOTAL %</b>
GROSS	50	260	158	260	210	938	100
<b>Less:</b>							
Bank Holidays		10	6	10	8	34	3.6
Annual Leave		30	15	20	23.5	88.5	9.4
Sick/Special Leave		5	3	5	4	17	1.8
Day Release & Study leave		0	5	0	3	8	0.9
Training		5	3	5	3	16	1.7
<b>Less:</b>							
Audit Admin		40	15	10	10	75	8.0
Audit Management		50				50	5.3
Risk Management		15	10	0	0	25	2.7
Available audit days	50	105	101	210	158.5	624.5	66.6
Add: Bought in Computer audit						50	
<b>TOTAL AVAILABLE AUDIT DAYS</b>						<b>674.5</b>	