

TEIGNBRIDGE DISTRICT COUNCIL

INTERNAL AUDIT - ANNUAL AUDIT PLAN 2018-2019

"Internal auditing is an independent, objective, assurance activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes." *Public Sector Internal Audit Standards.*

NB: Audit Plans should be considered flexible and adjustable, to address emerging risks, organisational changes, and revised priorities during the year.

SYSTEM OR ACTIVITY TO BE AUDITED	Teignbridge (*see project key below)	2018/19
	10	Days
	Project	

Financial Systems Assurance

(Core systems are those areas that are fundamental to providing controls assurance for internal financial control)

BENEFITS & COUNCIL TAX SUPPORT	1/6/9	Ensures accurate and timely payment of Housing Benefit and Council Tax Support.	10
COUNCIL TAX	All	Calculates, collects and accounts for Council Tax including recovery procedures for non-payment.	10
CREDITOR PAYMENTS	All	Pays the authority's creditors and internal payments promptly and accurately. Counter-fraud work to guard against bank mandate fraud and duplicate payments is included.	10
DEBTORS	All	Invoices, accounts for, and recovers debts due to the authority.	10
INCOME & BANKING	All	Receipt, banking, control of, and accounting for income due to the Authority. Covers electronic payments, direct debits and cheques (where these are still accepted).	10

SYSTEM OR ACTIVITY TO BE AUDITED	Teignbridge 10 Project	(*see project key below)	2018/19 Days
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Financial Systems Assurance (Cont.)

MAIN ACCOUNTING & BUDGETARY CONTROL	All	Accounts for the Council's activities and ensures budgetary requirements are met. Verification of approved budget to the Financial Management System. Good Financial Management and Budgetary control are essential as funding reductions continue.	10
PAYROLL	All	Ensures prompt and accurate payment of employees. The new Midland iTrent Payroll system will go live during this audit year which raises the risk rating for this area.	15
NDR (Business Rates)	All	Calculates, collects and accounts for Non-Domestic Rates including recovery procedures for non-payment. Extra time has been allocated due to Teignbridge participation in the Business Rates Pilot and the need to maximise business rates income.	15
TREASURY MANAGEMENT	All	Manages the authority's cash flow and invests funds to maximise income from interest earned whilst minimising risk. Also covers loans received i.e. borrowing.	5

Other Systems Assurance

ESTATES	3/4/6	To ensure land rental and review processes are efficient including Market Walk management.	15
COASTAL MONITORING PROGRAMME	2/4/6/10	Interim audit of the Environment Agency funded 5 year South West coastal monitoring programme for which Teignbridge are strategic lead.	5

SYSTEM OR ACTIVITY TO BE AUDITED	Teignbridge 10 Project	(*see project key below)	2018/19 Days
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Other Systems Assurance (continued)

COMMUNITY INFRASTRUCTURE LEVY (CIL)	1/3/4/6/8	Testing of CIL calculation and collection systems to ensure accurate billing and collection and application of exemptions.	10
HOUSING COUNTER FRAUD WORK	1/9	Scope to be agreed with Housing Manager. This audit time has been allocated to focus on housing tenancy fraud and, subject to agreement with third parties, the review may involve joint exercises with registered providers to identify potentially fraudulent tenancies.	25
LEISURE CENTRES	5/8	Review of NALC, Broadmeadow and Dawlish Leisure Centres to ensure risks are managed.	20
LICENSING	4/9	Review of licensing system including Hackney Carriages to ensure risks are managed.	10
TRAVEL AND SUBSISTENCE	All	Review of travel and subsistence system including test check of payments.	10
BACS - SMARTER PAY SYSTEM	All	Requested follow-up audit to ensure the new Smarter Pay system is embedded and security controls are working effectively.	5
CAR LOANS	All	Review of the system and administration of the car loan scheme with substantive testing of calculations and repayments.	10
CORPORATE PROCUREMENT (CREDIT) CARDS	All	Review of spending (probity check) and controls to manage and reconcile card use.	10
HR	All	Requested audit following re-modelling of the service - carried forward from 2017-2018. Scope to be agreed with management.	15

SYSTEM OR ACTIVITY TO BE AUDITED	Teignbridge 10 Project	(*see project key below)	2018/19 Days
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Other System Assurance Work (continued)

INFORMATION GOVERNANCE & CYBER SECURITY RISK	All	Information Governance features annually in the plan focussing on topical issues such as storage; access; sharing; disposal; PCIDSS; user education; cloud; third parties cyber threats etc. on a rolling basis. The Auditor is a member of Teignbridge's Information Governance Group.	15
GDPR (General Data Protection Regulation)	All	Links to Information Governance above - the Council needs to ensure it is compliant with the new data protection laws coming into force in May 2018. As a member of the Information Management Group the Auditor has helped support the Council's approach to date and this work is likely to be ongoing.	20

Risk Based Auditing

RISK REGISTER	All	This project covers risk management and sample testing the mitigations within the Council's Risk Registers. The processes in place to manage risks (mitigations) will be verified to ensure that they are operating in practice. The audit will provide direct assurance that key risks are being managed.	15
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ICT Systems Assurance

ICT	All	Teignbridge's ICT services are delivered by Strata and audited by the Devon Audit Partnership (DAP). An allocation of time has been included to pick up any risks we may need to assure that are not covered by DAP.	10
ICT DEVON INFOSEC PARTNERSHIP	All	The Information Security Partnership consists of Information Technology professionals and auditors from the Devon-wide Authorities. It meets approximately quarterly with the objective of developing standards and policies and working practices in relation to Information Security.	5

SYSTEM OR ACTIVITY TO BE AUDITED	Teignbridge (*see project key below)		2018/19
	10		Days
	Project		

Fraud / Special Investigations / Other Requested Work

COUNTER FRAUD	All	Pro-active counter fraud activity based on fraud risk assessment; Anti Fraud & Corruption Strategy; Whistleblowing Policy; Anti Money Laundering Policy; Anti Bribery mitigations. Assessment and benchmarking of counter-fraud arrangements.	20
CONTINGENCY	All	Contingency for fraud, irregularity and other investigative work or ad hoc requests for projects.	40

Governance Work

CORPORATE GOVERNANCE REVIEW	All	Review and assessment of governance arrangements. Collating supporting evidence to support the Annual Governance Statement. Involves a one-to-one interview with all Business Managers and consultation with other stakeholders.	15
REGISTER OF INTERESTS, HOSPITALITY & GIFTS	All	Requested audit to assist with the implementation of recommendations from the 2017-18 audit.	5

Carried Forward

ALLOWANCE FOR WORK IN PROGRESS AT YR END	All	To allow for completion of audits in progress at year end.	20
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Advice / Consultancy

ADVICE AND CONSULTANCY	All	Allowance for time spent on providing risk and control advice to officers, management and members.	30
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SYSTEM OR ACTIVITY TO BE AUDITED	Teignbridge 10 Project	(*see project key below)	2018/19 Days
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Other (Non Audit) Work

ANNUAL GOVERNANCE STATEMENT (AGS)	All	Co-ordinate production of the AGS following Governance Review above.	5
FINANCIAL INSTRUCTIONS and CONTRACT PROCEDURE RULES	All	Review and update documents. Provision of advice to officers and allowance of time for dealing with Waivers and monitoring reports to Audit Scrutiny.	10
NATIONAL FRAUD INITIATIVE (NFI) DATA MATCHING	All	The Audit Manager performs the NFI Key Contact Role and co-ordinates the investigation of matches.	10
CORPORATE WORK	All	Corporate Task and Finish Groups are commissioned by the Managing Director to examine specific corporate issues. Internal Auditors are members of various Task and Finish, and other groups - these currently include: Health and Wellbeing, Comments and Complaints Review Board, Information Management Group, and the Infrastructure Requirement Board for Strata. Project assurance is also provided for the One Teignbridge transformation project and the Audit Manager is involved in the BEST2020 business improvement process.	50

Audit Management & Administration

AUDIT ADMINISTRATION and KNOWLEDGE	-	Time recording / orders / invoices / team meetings / corporate meetings / general administration / etc.	25
AUDIT FOLLOW UP	-	Involves ensuring previously agreed actions have been implemented.	10
AUDIT MANAGEMENT	-	Audit Planning / assigning projects / monitoring and control of resources / audit work quality review / reporting to Audit Committee / liaison with external audit / annual review of effectiveness etc.	20

SYSTEM OR ACTIVITY TO BE AUDITED	Teignbridge (*see project key below)	2018/19
	10	Days
	Project	
TOTAL RESOURCES REQUIRED 2018-2019		555
Gross Resource Available:		
2.51 x Whole Time Officers		654
Less known commitments:		
- Annual Leave:		-84
- Bank Holidays:		-25
- Training (provision for CPD and corporate training included):		-25
- Unplanned Absence (contingency only)		-3
- Other (inc. JE Panel / Election Duty / etc.)		-12
Total Internal Resource available (no. days)		505
External Resource (no. days)		50
NET RESOURCES AVAILABLE 2018-2019		555

SYSTEM OR ACTIVITY TO BE AUDITED

Teignbridge (*see project key below)
10
Project

2018/19
Days

KEY TO THE COUNCIL'S PROJECTS

Project 1: A ROOF OVER OUR HEADS - provide more, better and affordable homes

Project 2: CLEAN SCENE - keep the district clean

Project 3: GOING TO TOWN - invest in town centres

Project 4: GREAT PLACES TO LIVE AND WORK - provide well designed, quality neighbourhoods

Project 5: HEALTH AT THE HEART - improve health and wellbeing

Project 6: INVESTING IN PROSPERITY - create jobs and wealth

Project 7: MOVING UP A GEAR - improve travel options

Project 8: OUT AND ABOUT AND ACTIVE - provide opportunities for healthy active lifestyles and leisure

Project 9: STRONG COMMUNITIES - liaise with, help and support our communities

Project 10: ZERO HEROES - to reduce waste and carbon emissions

"All": This encompasses the "What else we will do" elements of the Strategy which include: effective spending; increased income; be customer focussed; work in new smarter ways; continuously improve efficiency; deliver services fairly.

Sue Heath
Audit Manager
Mar-18