Ryedale District Council

Internal Audit Plan 2014/15

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Circulation List:	Members of the Overview and Scrutiny Committee
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Date: 10 April 2014

Introduction

1   This document sets out the planned 2014/15 programme of work for internal audit, counter fraud and risk management provided by Veritau for Ryedale District Council.

2   The work of internal audit is governed by the Accounts and Audit Regulations 2011 and the Public Sector Internal Audit Standards. In accordance with these standards internal audit is required to prepare an audit plan on at least an annual basis.

3   For the first time, the plan is explicitly aligned to the Council's Corporate Risk Register. This accords with commonly accepted good practice and will enable members of the audit committee and the management team to satisfy themselves that internal audit activity is focused on the main risks to the Council. Veritau also uses its own risk based assessment in developing the audit plan. The audit plan is a working document and changes are made throughout the year to reflect changes in risk and any issues that arise.

4   The content of the audit plan has been subject to consultation with the Chief Executive, Corporate Director and other senior officers and is submitted for formal approval by the Overview and Scrutiny Committee who are also responsible for monitoring progress against the plan. Changes to the plan are agreed through the Council's client management arrangements and are notified to the committee. Proposed audit work is also discussed with the Council's external auditors to ensure there is no duplication of effort.

5   The plan has a total value of 225 days for 2014/15.

2014/15 Audit Plan

6   The Audit Plan for 2014/15 is intended to reflect the impact of the savings that the Council needs to make over the coming years. Where possible, it also seeks to identify areas where further savings can be made by aligning operational controls more closely with the identified risk appetite and to provide assurance that the controls used to reduce risk to within the risk appetite are effective.

7   The plan has been structured into a number of sections:-

   o   *Corporate Risk Register*; this work involves reviewing the action taken, or to be taken, in managing the key risks to the Council.

   o   *Fundamental/Material Systems;* to provide assurance on the key areas of financial risk. This helps support the work of the external auditors and provides assurance to the Council that risks of loss are minimised.

   o   *Regularity Audits;* to provide assurance on those areas identified through Veritau's risk based assessment. Although not identified as a key corporate risk to the Council, they are recognised as key service risks.

   o   *Technical/Projects;* to provide assurance on those areas of a technical nature and where project management is involved. These areas are key to the Council as the risks involved could detrimentally affect the delivery of services.

   o   *Client support & Advice;* Work we carry out to support the Council in its functions.

- *Other;* An allocation of time to allow for unexpected work and the follow up of work we have already carried out, ensuring that agreed actions have been implemented.

8   Details of the 2014/15 plan are set out in Appendix A.

Internal Audit Plan 2014/15

Corporate Risk Register

Risk No	Risk	Audit	Scope	Days
	Corporate Risk Register			
05	Failure to meet identified housing need in Ryedale	Affordable Housing/New Homes Bonus	To review management controls including monitoring arrangements to ensure Government and local targets set are adhered too + To provide assurance to management that the key risks relating to the achievement of the targets for increasing the tax base and thereby maximising the New Homes Bonus, are effective	20
04	Failure to attract external funding to support the priorities of the Council	Community Infrastructure Levy	Review to ensure that the CIL charges have been correctly defined in line with set criteria	5
02	Failure to deliver Council priorities, due to poor management of the capital programme.	Capital Programme	To provide assurance that projects are adequately monitored in relation to delivery, spend and planning for the achievement of long term objectives	12

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Fundamental/Material Systems Audits

Audit	Scope	Days
Council Tax/NNDR	To review the key risks/controls for the setting and collection of local tax	12
Sundry Debtors	A review of the systems for raising debtor invoices and collecting income, credit control, and debt recovery arrangements	8
Benefits	To review the key risks/controls involved in awarding and paying benefits including the Council Tax Support Scheme	15
Creditors	To review the key risks/controls surrounding the payment of Creditors invoices. To include 'delegated authority'	10
Income/Receipting System(s)	To review the key risks/controls surrounding the receipting and balancing of monies received	8
Payroll	A review of the payroll system and controls associated with payroll processing including service delivery by the provider (CYC)	10
General Ledger (budgetary control & reconciliations)	A review of the budget setting, monitoring processes and reconciliations within the General Ledger	15
Treasury Management	Completed 2013/14	-
Capital Accounting and Asset Management	To review the treatment of assets and capital expenditure, ensuring they are in line with established accountancy practice guidelines	10

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Regularity Audits

Audit	Scope	Days
Risk Management Process	A review of overall council risk management arrangements	10
Development Control	To provide assurance that planning applications received are processed in accordance with legislation and with due regard to the Local Plan and the Local Development Framework	10
Member Development	To provide assurance that Members receive the necessary training/induction and development to perform their function in the decision making processes	10
		30

Technical/Project Audits

Audit	Scope	Days
ICT	To review and benchmark the strategy for IT within the Council ensuring targets set are monitored and achieved	8
Project Management	To review specified projects to ensure the control environment is sound	15
		23

Client Support & Advice

Area	Days
Committee Prep & Attendance inc AGS,	12
External Audit Liaison	1
Miscellaneous Advice and Project Support	12
Corporate Issues (inc audit planning and client liaison)	8

	33

Other

Area	Days
Contingency	6
Follow Ups	8

	14
	225