

RYEDALE
DISTRICT
COUNCIL



Ryedale District Council

Internal Audit Plan 2016/17

Audit Manager:

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Circulation List:

Members of the Overview and Scrutiny Committee
Chief Executive
Finance Manager (s151)

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Assurance Services for
the Public Sector

Introduction

- 1 This document sets out the planned 2016/17 programme of work for internal audit, provided by Veritau for Ryedale District Council.
- 2 The work of internal audit is governed by the Public Sector Internal Audit Standards. In accordance with those standards and the Council's Audit Charter, internal audit is required to prepare an audit plan on at least an annual basis.
- 3 The Head of Internal Audit is required to produce an annual internal audit opinion to the Council based on an objective assessment of the effectiveness of the framework of Risk Management, Governance and Internal control. Our planned audit work includes coverage of all three areas to develop a wider understanding of the assurance framework of the Council and provide a fully informed body of work to provide that opinion.
- 4 The internal audit plan has been prepared on the basis of a risk assessment. This is intended to ensure limited audit resources are prioritised towards those systems which are considered to be the most risky and/or which contribute the most to the achievement of the District Council's priorities and objectives. The content of the internal audit plan has been subject to consultation with directors and other senior officers.
- 5 The internal audit plan 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 will be agreed with the Finance Manager (s151) and will be notified to this committee. Proposed work is also discussed with the Council's external auditors to ensure there is no duplication of effort. We will provide regular updates on the scope and findings of our work to the Overview and Scrutiny Committee throughout 2016/17.
- 6 The plan is based on a total commitment of 225 days for 2016/17, which is in line with last years plan.

2016/17 Audit Plan

- 7 The plan has been structured into the following sections:
 - **Strategic Risks;** this work involves reviewing areas highlighted as specific risks in the risk register.
 - **Fundamental/Material Systems;** to provide assurance on the key areas of financial risk. This work will help provide assurance the internal controls on these key systems for the Council are working effectively and the risks of loss are minimised. The work will also support the work of the external auditors.
 - **Regularity Audits;** to provide assurance on those areas identified through Veritau's risk based assessment. This work will cover a number of the governance frameworks which the Council rely on to provide

assurance that key areas of the business are operating effectively. We have also identified a number of service risk areas to review.

- **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 effect the delivery of services.
- **Client support, Advice and Follow Up;** This is work that supports the Council in its functions and provides assurance on ad-hoc matters and the adoption of findings we have reported in previous years.

8 The Council is undertaking a significant transformation programme and so 2016/17 is a very important year to develop, introduce and embed the new thinking and arrangements. We have included specific work to challenge and support those developments.

9 Details of the 2016/17 plan are set out in **Appendix A**

Risk No	Risk	Audit	Scope	Days
08	Failure to produce effective, comprehensive and tested plans for Emergency Planning and Business Continuity.	Business Continuity	A follow up of the progress being made implementing the arrangements to ensure compliance with the Civil Contingencies Act 2004 and the need for established business continuity and disaster recovery procedures.	5
		Disaster Recovery	We will also follow up the progress made on the ICT disaster recovery arrangements.	5
03	Failure to effectively manage and develop our workforce assets	Training	A review of the effectiveness of the Council's arrangements to deliver the training aims and objectives of the Council.	10
12	Failure to meet customer service standards and meet customer expectations.	Customer Expectations	To provide advice, guidance and challenge to the 'Towards 2020' transformation programme. The allocation of time will also include assurance on overall monitoring and governance arrangements or support to specific work streams and aspects of the programme. We will review the delivery of the transformation in a sample of areas to consider the extent to which the 'Towards 2020' procedures, aims and objectives are being delivered.	20
15	Council fails to meet efficiency targets which necessitates cuts to other services	Delivering Efficiencies		
14	The Council recognises the importance of data quality.	Performance Management and Data Quality	A review of the Council's performance management framework along with the systems for capturing key performance data. We will include a review of the use of key corporate systems, in particular Covalent, in enabling effective performance management.	10

Financial Systems Audits

Audit	Scope	Days
Housing Benefits	To review the key risks/controls involved in awarding and paying benefits including the Council Tax Support Scheme.	15
Payroll	A review of the key risks/ controls of the payroll system.	15
Council Tax/NNDR	A review of the key risks/controls for the setting and collection of local tax including performance management arrangements.	10
Sundry Debtors	A review focusing on the effectiveness of the systems of debt recovery.	8
Creditors	To review the key risks/controls surrounding the payment of Creditors invoices.	8
Income	To review the key risks/controls surrounding the receipting and balancing of monies received. We will also review the strategic arrangements for income collection to appraise how the Council maximises the monies it can receive.	10
General Ledger	A review of the key controls in the General Ledger given the changes to banking arrangements.	4
		70

Regularity Audits

Audit	Scope	Days
Contract Management	A review of the operational effectiveness of the Council's corporate arrangements on contract management including review of specific schemes.	15
Risk Management	A review of the effectiveness of the Risk Management arrangements to highlight and robustly manage the key strategic risks of the Council.	10
Environmental Health	To review the management of the key performance and operational risks within Environmental Health, with a specific focus on private water supplies.	10
General Network and Key System Controls	A review of access controls to the Council's network and a sample of systems to ensure they are working as designed and manage information risks appropriately.	10
		45

Technical/Project Audits

Audit	Scope	Days
Data Protection and Security	To undertake unannounced visits to establish the extent to which the Council's expectations of data security of sensitive information, including the clear desk policy are being followed.	10
IDEA data analytics and data matching	An allowance of time to undertake data matching and analytics to support the Transformation programme, review large scale data sets to improve data quality and to identify data inconsistencies.	5
Strategic Asset Management	To review and support the asset management arrangements with a particular focus on the Council's corporate landlord responsibilities.	5
		20

Client Support, Advice and Follow up

Area	Days
Committee Preparation and Attendance	12
External Audit Liaison	2
Miscellaneous Advice and support	8
Corporate Issues (including audit planning and client liaison)	10
Follow up of previous years findings	8
	40
TOTAL PLANNED DAYS	225