

RYEDALE  
DISTRICT  
COUNCIL



# Ryedale District Council

## Internal Audit Plan 2017/18

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**Circulation List:** Members of the Overview and Scrutiny Committee  
Chief Executive  
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Assurance Services for  
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## Introduction

- 1 This document sets out the planned 2017/18 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 Resources and Enabling Services Lead (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 2017/18.
- 6 The plan is based on a total commitment of 345 days for 2017/18. This includes 225 days for internal audit work, 105 days for fraud work and 15 days for information governance support. which is the same as the 2016/17 plan.

## 2017/18 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.
  - **Operational/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.
- **Counter Fraud;** to provide a mix of pro-active and re-active support to the Council on fraud related matters.
- **Information Governance;** to provide support and advice on the development of Information Governance policies and procedures.
- **Client support, Advice and Follow;** 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. The new operating model is being implemented from 3 April 2017 so 2017/18 is a very important year to develop, introduce and embed the new thinking and arrangements. We have included specific work in this plan to challenge and support those developments.

9 Following the Corporate Peer Challenge in October 2016 the Council has developed a draft improvement plan, based on their findings and recommendations. In developing this audit plan we have included coverage of areas of the improvement plan including income generation and partnerships.

10 Details of the 2017/18 plan are set out in **Appendix A**

## Strategic Risks

| Risk No | Risk                         | Audit                                     | Scope  | Days |
|---------|------------------------------|---|--|------|
| 08      | Business Continuity Planning | Business Continuity and Disaster Recovery | 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. We will also follow up the progress made on the ICT disaster recovery arrangements. | 10   |
| 03      | Staff Management             | HR Performance Management and Training    | A review of the arrangements for managing staff performance including the effectiveness of the Council's arrangements to deliver training aims and objectives.   | 15   |
| 10      | Information Security         | 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.   | 6    |
| 10      | Information Security         | IT Information Security                   | This audit will look at the Council's arrangements for managing information security risks including IT controls such as firewalls and malware protection as well as access controls and rights management.  | 15   |
| 01      | Significant Partnerships     | Partnership Arrangements                  | A review of the Council's arrangements for managing partnerships and ensuring effective governance and a clear strategic direction are in place.   | 10   |

**Fundamental/Material Systems**

| <b>Audit</b>     | <b>Scope</b>  | <b>Days</b> |
|------------------|---|-------------|
| Housing Benefits | To review the key risks/controls involved in awarding and paying benefits including the Council Tax Support Scheme.   | 10          |
| Payroll          | A review of the key risks/ controls of the payroll system.  | 10          |
| 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.   | 8           |

**Operational/Regularity Audits**

| <b>Audit</b>           | <b>Scope</b>   | <b>Days</b> |
|------------------------|--|-------------|
| Procurement            | A review of the Council's arrangements against key risk areas highlighted in the December 2016 Home Office report in respect of the threat from Serious and Organised Crime to publicly procured services in Local Government. | 6           |
| 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          |
| Lettings Income        | This audit will look at arrangements for the management of lettings income.  | 8           |
| Taxi Licensing         | To review the key risks and controls in place in respect of Taxi Licensing.  | 8           |
| Development Management | To consider the management of the key service, performance and operational risks of the Development Management function.   | 8           |
|                        |  | <b>40</b>   |

**Technical/Projects**

| <b>Audit</b>                     | <b>Scope</b>   | <b>Days</b> |
|----------------------------------|--|-------------|
| Transformation Programme         | 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. | 10          |
| Project and Programme Management | A review of the effectiveness of the Project Management policies, procedures and processes in place at the Council in light of the new operating model.  | 15          |
|                                  |  | <b>25</b>   |

## Counter Fraud

| Fraud Area                      | Scope  | Days       |
|---------------------------------|--|------------|
| Counter Fraud General           | An allocation of time to monitor changes to regulations and guidance, to review counter fraud risks, and support the Council with maintenance of the counter fraud policy framework. This will include completion of the annual counter fraud risk assessment. | 15         |
| Proactive Work                  | An allocation of time to raise awareness of counter fraud issues and procedures for reporting suspected fraud. This will include targeted proactive counter fraud analysis.  | 10         |
| Reactive Investigations         | An allocation of time to provide support, advice and recommendations on cases which may be appropriate for investigation as well as investigation of those cases and recommendations on subsequent actions.  | 50         |
| National Fraud Initiative (NFI) | An allocation of time for organisation of NFI data submission and investigation of subsequent matches.   | 15         |
| DWP Liaison                     | An allocation of time to undertake system interrogation and provision of information for the DWP's Single Fraud Investigation Service (SFIS).  | 15         |
|                                 |  | <b>105</b> |

## Information Governance

| IG Area                | Scope  | Days      |
|------------------------|--|-----------|
| Information Governance | All allocation of time to provide support on the development of policies and procedures; including privacy impact assessments and changes relating to the General Data Protection Regulations. | 15        |
|                        |  | <b>15</b> |

**Client Support, Advice and Follow up**

| <b>Area</b>  | <b>Days</b> |
|--|-------------|
| 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           |
|  | <b>40</b>   |
| <b>TOTAL PLANNED DAYS</b>                                      | <b>345</b>  |