

RYEDALE
DISTRICT
COUNCIL



Ryedale District Council

Internal Audit Plan 2018/19

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Circulation List:

Members of the Overview and Scrutiny Committee
Chief Executive (Interim)
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Date: April 2018


Assurance Services for
the Public Sector

Introduction

- 1 This document sets out the planned 2018/19 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 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 s151 Officer 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 2018/19.
- 6 The internal audit plan is based on a total number of 225 days for 2018/19 which is the same as in 2017/18

2018/19 Internal Audit Plan

- 7 The plan has been structured into the following sections:
 - **Strategic Risks;** this work involves reviewing areas highlighted as specific audit risks which are included in the Council's risk register.
 - **Fundamental/Material Systems;** to provide assurance on the key areas of financial risk. This work will help provide assurance that the internal controls for these key systems are working effectively and the risks of loss are minimised.
 - **Projects;** to provide assurance on those areas of a technical nature and where project management is involved.
 - **Operational/Regularity Audits;** to provide assurance on those other areas identified through Veritau's risk based assessment. This work will cover some of the governance frameworks which the Council rely on to provide assurance that key areas of the business are operating effectively. Work is covering some service areas.

- **Client support, Advice and Follow Up;** This includes ongoing support and advice to the Council on risk and control issues, work to provide assurance that findings from previous audits have been addressed, and time necessary to support the delivery of the internal audit service (for example for audit planning).
- 8 Section 151 of the Local Government Act 1972 requires every authority in England and Wales to make arrangements for the proper administration of their financial affairs and ensure that one of their officers has responsibility for the administration of those affairs. The Council is currently making arrangements to replace the current s151 officer who leaves Ryedale in May 2018. We have included some time in the internal audit plan so we can review the operation of financial procedures, controls and responsibilities being operated in 2018/19 following the change.

Internal Audit Plan 2018/19

Strategic Risks

Risk No	Risk	Audit	Scope	Days
2b	The Council recognises the importance of data quality as we need reliable, accurate and timely performance information with which to manage services, inform users and account for our performance	Data Quality	A review of the Council's performance management framework along with the systems for capturing key performance data. We will also review key performance data to ensure it is complete, accurate and up to date.	15
03	Failure to effectively manage and develop our workforce assets	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
07	Failure to ensure appropriate systems are in place to manage Health and Safety	Health and Safety	A review of the effectiveness of the management of Health and Safety risks.	15
10	To ensure the Council meets all of its statutory obligations relating to the protection of personal and confidential data.	Data Protection and Information 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.	8

Fundamental/Material Systems

Audit	Scope	Days
Payroll	A review of the key risks/ controls of the payroll system and employee expenditure.	10
Creditors	To review the key risks/controls surrounding the payment of creditor invoices. The work will include a review of all creditor payments for the risk of potential duplicate payments using data analytics software.	12
General Ledger	A review of the key controls to ensure information in the General Ledger is accurate.	10
Budgeting	To review the operation of the key controls that ensure budgets are being effectively monitored and managed.	10
Treasury Management	To review the Council's arrangements to ensure compliance with the requirements of the new CIPFA code on Treasury Management in the Public Services.	8
		50

Projects/ other

Audit	Scope	Days
Maintaining internal control and fulfilling s151 responsibilities	A period of time to review and assess the financial procedures, controls and responsibilities being operated during the year, in the light of the current s151 officer leaving post in May 2018	10
		10

Operational/Regularity Audits

Audit	Scope	Days
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
Information Technology (ICT)	A review of key ICT risks and controls. The specific areas for review will be agreed with officers during the year.	15
Contract Management	To provide additional support to help the Council further develop and embed arrangements. To also review of a sample of contracts to ensure these are being managed appropriately.	10
Transparency Code	To review compliance with the requirements of the Transparency Code.	10
Community Infra Structure Levy	To review the management of the key performance and operational risks in relation to the Community Infra Structure Levy	10
Licensing	To review the key risk areas on licensing. The audit will specifically cover licensing of premises.	13

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	12
	44

TOTAL PLANNED DAYS **225**