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| <b>REPORT TO:</b>       | <b>OVERVIEW AND SCRUTINY COMMITTEE</b>              |
| <b>DATE:</b>            | <b>16 FEBRUARY 2012</b>                             |
| <b>REPORT OF THE:</b>   | <b>CORPORATE DIRECTOR (s151)<br/>PAUL CRESSWELL</b> |
| <b>TITLE OF REPORT:</b> | <b>2012/13 INTERNAL AUDIT PLAN</b>                  |
| <b>WARDS AFFECTED:</b>  | <b>ALL</b>  |

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 This report presents the Internal Audit Plan for 2012/13 from the North Yorkshire Audit Partnership. The plan will be delivered by Veritau North Yorkshire (VNY) who take responsibility for Internal Audit from 1 April 2012.

### **2.0 RECOMMENDATION**

- 2.1 It is recommended that Members receive this report and endorse the plan.

### **3.0 REASON FOR RECOMMENDATION**

- 3.1 Internal Audit is a legal requirement for Councils, and furthermore underpins delivery of the Corporate Plan and the Council's strategic themes by ensuring that the control environment is reviewed on a structured and logical basis.
- 3.2 The Cipfa Code of Practice for Internal Audit in Local Government identifies that the shared interests of the audit committee and internal audit require an effective working relationship. Part of that is the approval of, and monitoring of progress against, the internal audit strategy and plan.

### **4.0 SIGNIFICANT RISKS**

- 4.1 There are no significant risks.

## **REPORT**

### **5.0 POLICY CONTEXT AND CONSULTATION**

- 5.1 This report and the Audit Plan support the Council's requirement to comply with all legislation. It also supports all the Corporate Aims of the Council, by evaluating the overall internal control framework through which the aims are achieved.
- 5.2 This work within the Internal Audit plan supports the Council's Corporate Strategic

Objective of providing strong Community Leadership, by demonstrating a commitment to local democracy and accountability.

5.3 No external consultation has been undertaken. The plan is, as usual subject to appropriate consultation and is agreed with the Corporate Director (s151).

5.4 The Partnership has undertaken consultation with Heads of Service, and Service Unit Managers.

## **6.0 REPORT DETAILS**

6.1 The Internal Audit plan has been drafted using the Partnership's risk assessment model. This model considers various aspects appertaining to activities within Ryedale DC and assesses the level of inherent risk. This then determines the relative frequency of audit.

6.2 The Council has had an agreed plan of 265 days for a number of years, and our range of work has therefore been constrained by that limit. This level has been reduced to reflect the need to make savings in all aspects of the Council's activities. For 2012/13 the number of days is reduced to 245, and that volume remains for 2013/14.

6.3 It has been established that this committee should act as an Audit Committee for the Council and, therefore is the body to receive the plan, detailed in Annex A, which sets out the work to be covered in the forthcoming year. The plan as presented is very much a draft plan and will be revised early in 2012/13 to reflect any changes required subsequent to the full implementation of the "Hub" concept which is a significant change in the Council's internal control environment.

6.4 The plan is agreed between the Corporate Director, the Council's s151 Officer and the Audit Partnership. In addition views are sought from Heads of Service, and the Council's external auditors. This wider review is to ensure that the plan is relevant and appropriate to the Council's needs.

6.5 The view sought from the Council's external auditors is appropriate to the continuing expectation that the Partnership works closely with them to minimise the cost of external audit by allowing them to be able to place reliance on the Partnership's audit plan and work in their assessment of the Council.

6.6 This does tend to distort the plan to a degree as they expect that the partnership audit the material systems of the Council on an annual basis. This drives part of the plan outwith the Partnership's risk assessment. Typically this work accounts for around 40% of the annual plan.

6.7 Progress against the plan is reported to the Overview & Scrutiny (Audit) Committee on a regular basis, and the plan itself will be reviewed during the year to take cognisance of changes within the audit environment.

## **7.0 IMPLICATIONS**

7.1 The following implications have been identified:

- a) Financial  
There are no financial implications, beyond the existing budget for Internal Audit.
- b) Legal  
None directly, though individual audit reports may have implications

- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)  
None directly, though individual audit reports may have implications

**Paul Cresswell**  
**Corporate Director (s151)**

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**Background Papers:**

None

**Background Papers are available for inspection at:**

n/a.

# NORTH YORKSHIRE AUDIT PARTNERSHIP

## RYEDALE DC ~ AUDIT PLAN 2012/13 to 2013/14

| CODE   | AUDIT AREA                         | 2012/13<br>days | 2013/14<br>days |
|--|------------------------------------|-----------------|-----------------|
| <b><u>Material Systems Regularity Assurance (MSRA)</u></b> |                                    | 43%             | 38%             |
| 20110  | Council Tax                        | 14              | 14              |
| 20120  | Creditors                          | 15              | 15              |
| 20121  | Creditors ~ Counter Fraud audit    |                 |                 |
| 20130  | Debtors                            | 10              | 10              |
| 20140  | G. Ledger + Bank Rec's             | 12              | 12              |
| 20150  | Housing Benefits                   | 15              | 15              |
| 20170  | Income System                      | 10              | 8               |
| 20180  | NNDR                               | 12              | 9               |
| 20190  | Payroll                            | 5               | 5               |
| 20200  | Treasury Mgt                       | 7               | 5               |
| 22520  | Capital A/C / Fixed Asset register | 5               | 5               |
|  |                                    | <b>105</b>      | <b>93</b>       |
| <b><u>Identified Risk Assurance (IRA)</u></b>              |                                    | 2%              | 2%              |
|  | Risk Register Action plans         | 5               | 5               |
| <b><u>Cyclical Assurance (CA)</u></b>                      |                                    | 40%             | 43%             |
| <b><u>Head of Environmental Services - Phil Long</u></b>   |                                    |                 |                 |
| <b>Health and Environment - Steve Richmond</b>             |                                    |                 |                 |
| 21400  | Leisure Contract (CL Ltd)          | -               | -               |
| 22070  | Dog Enforcement                    | -               | -               |
| 22085  | Food Safety                        | -               | -               |
| 22111  | Licencing Act(s)                   | 5               | 5               |
|  | Environmental Health (enforcement) | -               | -               |
| 22120  | Markets                            | -               | -               |
| 22130  | Pest Control                       | 7               | -               |
| 22150  | Pollution Control                  | -               | -               |
|  |                                    | <b>12</b>       | <b>5</b>        |

| CODE  | AUDIT AREA                           | 2012/13<br>days | 2013/14<br>days |
|---|--------------------------------------|-----------------|-----------------|
| <b>Street Scene Services - Beckie Bennett</b>           |                                      |                 |                 |
| 21530   | Restaurant / Canteen                 | 5               | -               |
| 21590   | Waste Management                     | -               | -               |
|   | Grounds Maintenance                  | -               | -               |
| 21680   | Vehicles & Plant                     | -               | 10              |
| 22050   | Car Parks                            | -               | -               |
| 22110   | Taxi Licencing (Hackney Carriages )  | -               | 7               |
| 22160   | Public Conveniences                  | -               | -               |
| 22170   | Recycling - see Waste Man            | -               | -               |
| 22180   | Trade Refuse                         | 5               | -               |
| 22181   | Septic Tanks                         | -               | -               |
|   |                                      | <b>10</b>       | <b>17</b>       |
| <b>Facilities &amp; Emergency Planning ~ Mike Adams</b> |                                      |                 |                 |
| 21665   | Internal CCTV                        | -               | 5               |
| 21020   | Industrial Units / Lettings          | 7               | -               |
| 21050   | Health & Safety                      | -               | 5               |
| 21100   | Asset Management                     | 6               | -               |
|   | Property Maintenance                 | -               | -               |
|   | CRC (Carbon Reduction Commitment)    | 2               | 5               |
| 24010   | Garages & Depots                     | -               | -               |
|   |                                      | <b>15</b>       | <b>15</b>       |
| <b><u>Head of Economy and Housing - Julian Rudd</u></b> |                                      |                 |                 |
| <b>Economic and Community - Jos Holmes</b>              |                                      |                 |                 |
|   | Community Safety                     | -               | -               |
| 23580   | Cultural & Sports Grants             | -               | 5               |
| 23610   | Sports Development                   | 6               | -               |
| 23640   | Tourism & TICs                       | -               | -               |
|   |                                      | <b>6</b>        | <b>5</b>        |
| <b>Housing Services - Kim Robertshaw</b>                |                                      |                 |                 |
| 22090   | Gypsy Site                           | -               | -               |
| 23005   | Housing Strategy                     | -               | -               |
| 23040   | Homelessness                         | -               | 5               |
| 23060   | Grants (Imp, Disabled, Fuel Poverty) | 7               | -               |
| 23070   | Warden Control (incl.Ryecare)        | -               | -               |
|   |                                      | <b>7</b>        | <b>5</b>        |

| CODE  | AUDIT AREA                                       | 2012/13<br>days | 2013/14<br>days |
|---|--|-----------------|-----------------|
| <b>Head of Planning - Gary Housden</b>                |  |                 |                 |
| <b>Development (Planning) – tbc</b>                   |  |                 |                 |
| 21070   | Local Land Charges                               | -               | 5               |
|   | New Homes Bonus                                  | -               | -               |
| 22140   | Development Control (planning fees)              | -               | 8               |
|   |  | <b>0</b>        | <b>13</b>       |
| <b>Forward Planning - Jill Thompson</b>               |  |                 |                 |
| 22020   | Sustainability                                   | -               | 5               |
| 22140   | Local Plan                                       | -               | -               |
| 21040   | Grant Funding/Payment                            | -               | -               |
|   | Market Town Initiative                           | -               | -               |
|   |  | <b>0</b>        | <b>5</b>        |
| <b>ICT Services - Mick Pythian</b>                    |  |                 |                 |
|   | ICT (computer) Audit                             | 12              | 12              |
| <b>Human Resources - Denise Hewitt</b>                |  |                 |                 |
| 21650   | Personnel & Training                             | -               | -               |
| <b>Democratic Services - Simon Copley</b>             |  |                 |                 |
| 21120   | Register of Electors;                            | -               | -               |
| 21125   | Election Expenses                                | -               | -               |
| <b><u>Head of Transformation - Clare Slater</u></b>   |  |                 |                 |
|   | Performance Management System<br>(incl Risk Mgt) | 5               | 5               |
| <b><u>Legal Services - Anthony Winship</u></b>        |  |                 |                 |
| 21060   | Legal Services - inc within Debtors              | -               | -               |
| <b><u>Head of Resources – vacant</u></b>              |  |                 |                 |
| <b>Revenue and Finance Services - Trevor Anderson</b> |  |                 |                 |
| 21010   | Car Leasing/Loans                                | -               | 5               |
| 21080   | Members Allowances                               | -               | -               |
| 21081   | Officers Allowances                              | -               | 5               |
| 22530   | Insurance  | 6               | -               |
| 22540   | Housing Act Advances                             | -               | -               |
| 22550   | Tax Mgt  | 5               | -               |
|   |  | <b>11</b>       | <b>10</b>       |

| CODE   | AUDIT AREA  | 2012/13<br>days | 2013/14<br>days |
|--|---|-----------------|-----------------|
| <b>Customer Services and Benefits - Angela Jones</b> |   |                 |                 |
| 155  | <i>HB Fraud</i>                                     | -               | -               |
| 21130  | <i>Reprographics</i>                                | -               | -               |
| 21150  | Telephones (mobile)<br><i>Concessionary Fares /</i> | 5               | -               |
| 22200  | <i>Community Transport Grant</i>                    | -               | -               |
|  |   | <hr/>           | <hr/>           |
|  |   | 5               | 0               |
|  | Follow ups  | 10              | 10              |
|  | Contingency   | 4               | 4               |
|  |   | <hr/>           | <hr/>           |
|  |   | 14              | 14              |
| <b><u>Value Added &amp; Technical (VAT)</u></b>      |   | 7%              | 8%              |
|  | Project support ~<br>Partnerships & Commissioning   | 6               | 9               |
|  | Project support ~ new ICT systems                   | 4               | 4               |
| 29008  | Write-off Approval (System support)                 | 5               | 5               |
| 28900  | Contract Audit/Procurement                          | 2               | 2               |
|  |   | <hr/>           | <hr/>           |
|  |   | 17              | 20              |
| <b><u>Client Support &amp; Advice (CSA)</u></b>      |   | 9%              | 9%              |
|  | Client Support                                      | 16              | 16              |
|  | - External Audit liaison                            |                 |                 |
|  | - O & S committee (4 - 6 times per annum)           |                 |                 |
|  | - Reg 6 Review & AGS                                |                 |                 |
|  | - AGS review & action plan follow up                |                 |                 |
|  | - Annual Internal Audit Report                      |                 |                 |
|  | Misc Advice   | 5               | 5               |
|  |   | <hr/>           | <hr/>           |
|  |   | 21              | 21              |
|  |   | <hr/>           | <hr/>           |
|  | Total Agreed Audit Days: -                          | 245             | 245             |