

Report of the Director of Finance to the meeting of the Governance and Audit Committee to be held on 24 July 2015.

Subject:

I

INTERNAL AUDIT PLAN 2015/16

Summary statement:

This report outlines the Internal Audit Plan for the financial year 2015/16. The delivery of the audit plan will assist with risks within the systems reviewed being managed to an acceptable level through improvement in internal control.

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Director of Finance

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Portfolio:

**Corporate
Improvement Area:**

Corporate

1. SUMMARY

- 1.1 The purpose of this report is to inform the Governance and Audit Committee of the Internal Audit Plan for the financial year 2015/16, giving the Committee the opportunity to contribute to the plan. It seeks to demonstrate that Internal Audit adds value to the Council by providing independent and objective assurance of risks to internal control within the Council's systems and processes. The Audit Plan reflects internal stakeholders' needs and the expected needs of the Council's external auditors for 2015/16.
- 1.2 The delivery of the audit plan will assist with risks within the systems reviewed being managed to an acceptable level through improvement in internal control. This provides the external auditors with the audit assurances that they require on the Council's fundamental financial systems.
- 1.3 This Internal Audit Plan details the work planned for the financial year 2015/16 and indicative plans for 2016/17 and 2017/18.

2. BACKGROUND

Internal Audit Plan 2015/16

- 2.1 The Council's Constitution gives the Governance and Audit Committee the responsibility of approving the Internal Audit Plan.
- 2.2 The Internal Audit Plan details the work planned for the 2015/16 financial year. The plan demonstrates that Internal Audit's resources are managed effectively and that the coverage is appropriate to allow the Head of Internal Audit and Insurance to gain sufficient evidence to be able to form an opinion on the internal control systems of the Council that it has reviewed.
- 2.3 Due to staffing reductions, the Internal Audit Plan for 2015/16 has 30% less capacity than in 2014/15 and 47% less than in 2012/13. This reduction has required the Service in conjunction with the s151 officer to consider and prioritise the use of these resources. The main core delivery of Internal Audit in 2015/16 is planned to be the provision of assurance on the Council's fundamental financial and significant systems. The reduction in resources has however impacted upon audit coverage of fundamental systems; significant systems, information governance; audits in schools; the time allocated to training, provision of advice and administrative tasks.
- 2.4 The current plan is based on a three year plan that was redesigned in 2014/15 for 2015/16 to 2017/18. The new three year plan re-examined the risks of the authority as stated in the corporate risk register and the financial flows to ensure that internal audit resources are directed appropriately and that the Council's assurance processes are maintained.
- 2.5 Performance against the plan is expected to be very challenging in 2015/16, as the section's reduced resources give it very limited capacity to absorb unforeseen audit issues and unplanned work. Its performance will be reported to the Governance and Audit Committee in the Internal Audit Half Year Monitoring statement in November 2015 and in the Annual Audit Report in June/July 2016.

3. OVERVIEW AND SCRUTINY COMMITTEE CONSIDERATION

- 3.1 Not Applicable.

4. OTHER CONSIDERATIONS

4.1 There are no other considerations.

5. OPTIONS

5.1 Not applicable.

6. FINANCIAL AND RESOURCE APPRAISAL

6.1 There are no direct financial consequences arising from this report. The work of Internal Audit adds value to the Council by providing management with an assessment on the effectiveness of internal control systems, making, where appropriate, recommendations that if implemented will reduce risk.

7. RISK MANAGEMENT

7.1 The work undertaken within Internal Audit is primarily concerned with examining risks within various systems of the Council and making recommendations to mitigate those risks. The key risks examined in our audits are discussed with management at the start of the audit and the action required from our recommendations is verified as implemented by Strategic Directors.

8. LEGAL APPRAISAL

8.1 The Accounts and Audit Regulations 2011 requires the Council to '*undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control*'. The Council achieves this by complying with the Public Sector Internal Audit Standards (PSIAS), which it does by following the CIPFA Local Government Application Note. The Internal Audit Plan needs to be approved by the Governance and Audit Committee to ensure compliance with the PSIAS.

9. OTHER IMPLICATIONS

9.1 Equal Rights

The Audit Plan seeks assurance that the Council fulfils its responsibilities in accordance with its statutory responsibilities and its own internal guidelines. When carrying out its work Internal Audit will review the delivery of service to ensure that either appropriate charges have been made or that the service provided is in accordance with the formal decision making process of the Council.

9.2 Sustainability implications

When reviewing Council Business Internal Audit will be examining the sustainability of the activity and to ensure that mechanisms are in place so that services are provided within the resources available

9.3 Greenhouse Gas Emissions Impacts

There are no impacts on Gas Emissions.

9.4 **Community safety implications**

There are no direct community safety implications.

9.5 **Human Rights Act**

There are no direct Human Rights Act implications.

9.6 **Trade Union**

There are no implications for the Trade Unions arising from the report.

9.7 **Ward Implications**

Internal Audit will undertake specific audits through the year which will ensure that the decisions of council are properly carried out.

10. **NOT FOR PUBLICATION DOCUMENTS**

10.1 None.

11. **RECOMMENDATIONS**

11.1 That the Committee reviews and approves the Internal Audit Plan for 2015/16.

12. **APPENDICES**

12.1 Appendix 1 – Internal Audit Plan 2015/16

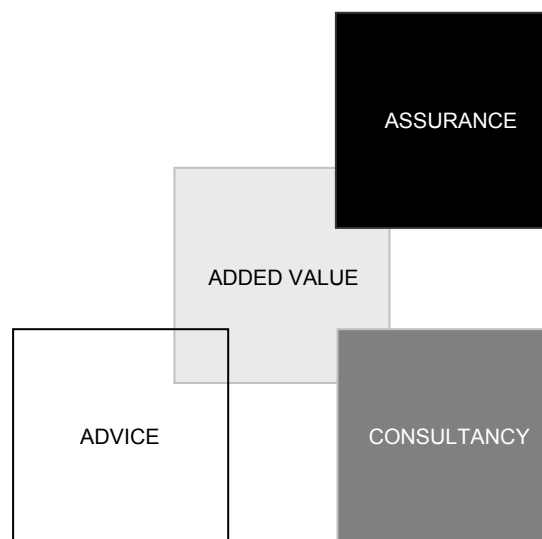
13. **BACKGROUND DOCUMENTS**

13.1 Accounts and Audit Regulations 2011.

13.2 Public Sector Internal Audit Standards.

13.3 The CIPFA Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards.

INTERNAL AUDIT PLAN 2015/16



INTRODUCTION

One of the requirements of the “Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note” is that an Annual Internal Audit Plan is produced and approved by the Governance and Audit Committee. Compliance with the PSIAS and the Local Government Application Note is a requirement of the Accounts & Audit Regulations 2011.

The plan has been developed in consultation with Stuart McKinnon-Evans, the Director of Finance and Section 151 Officer of the Council and the Strategic Directors for each Department along with their management teams. In order to prevent duplication of work and to ensure that the required audit assurances on the Council’s financial systems are provided, the 2015/16 plan will be shared, as is normal practice, with the Council’s external auditors. Internal Audit is committed to maintaining a strong working relationship with External Audit co-planning the internal and external audit programmes as required. Regular meetings will be held with the External Auditors throughout the year in order to share mutually beneficial information relating to risks and controls.

This Internal Audit Plan details the work planned for the financial year 2015/16 and indicative plans for 2016/17 and 2017/18.

MARK ST ROMAINE

Head of Internal Audit and Insurance

June 2015

Circulation:

Members	Governance and Audit Committee
Stuart McKinnon-Evans	Director of Finance
Mark Kirkham	Director and Engagement Lead, Mazars
All Staff	Internal Audit

1. KEY AIMS

1.1 The key aims of Internal Audit are to:-

- Support the Governance and Audit Committee.
- Independently review, appraise and report on the adequacy of the systems of financial control throughout the Council and act as a catalyst for positive change and continual improvement.
- Provide assurance to Management that identified risks are controlled to an acceptable level and emerging risks and proposed developments reviewed are also adequately governed and managed with appropriate controls built in.
- Be a source of advice on risk and control issues to service managers on operational matters and the impact of change
- Champion and promote good practice and support the Council in its wider business objectives.
- Assist in promoting an environment and culture which will help deter and identify suspected fraud.
- Add value to the Council by identifying any improvements during the day to day audit activity.
- Provide required assurance to Government Departments on the entitlement to and application of specific funds.
- Work in partnership with External Audit to minimise duplication of the audit resource.

2. RESOURCES AVAILABLE

2.1 The total net resources available to Internal Audit are 1,795 person days (6.9 FTE) which has decreased by 772 days (3.0 FTE) from the 2567 days (9.9 FTE) available in 2014/15. This decrease in person days has further reduced the capacity of the function and its service delivery capabilities. The decrease is due to the full year effect of two members of staff transferring to other areas of Financial Services, the retirement of another member of staff and the sad death of our Senior Auditor, Andrew Rowe. One member of staff returned from maternity leave and another continues to provide support to the Insurance team

2.2 In addition, in September 2014 the Council entered into a Service Level Agreement (SLA) with Wakefield Council, for Bradford to provide its Head of Internal Audit and Insurance to manage Wakefield's Internal Audit & Risk Service. The Service Level Agreement also requires a Business Plan to be prepared for December 2015 to determine an option appraisal for future service delivery.

There are currently no further staffing changes planned to the Internal Audit establishment in 2015/16.

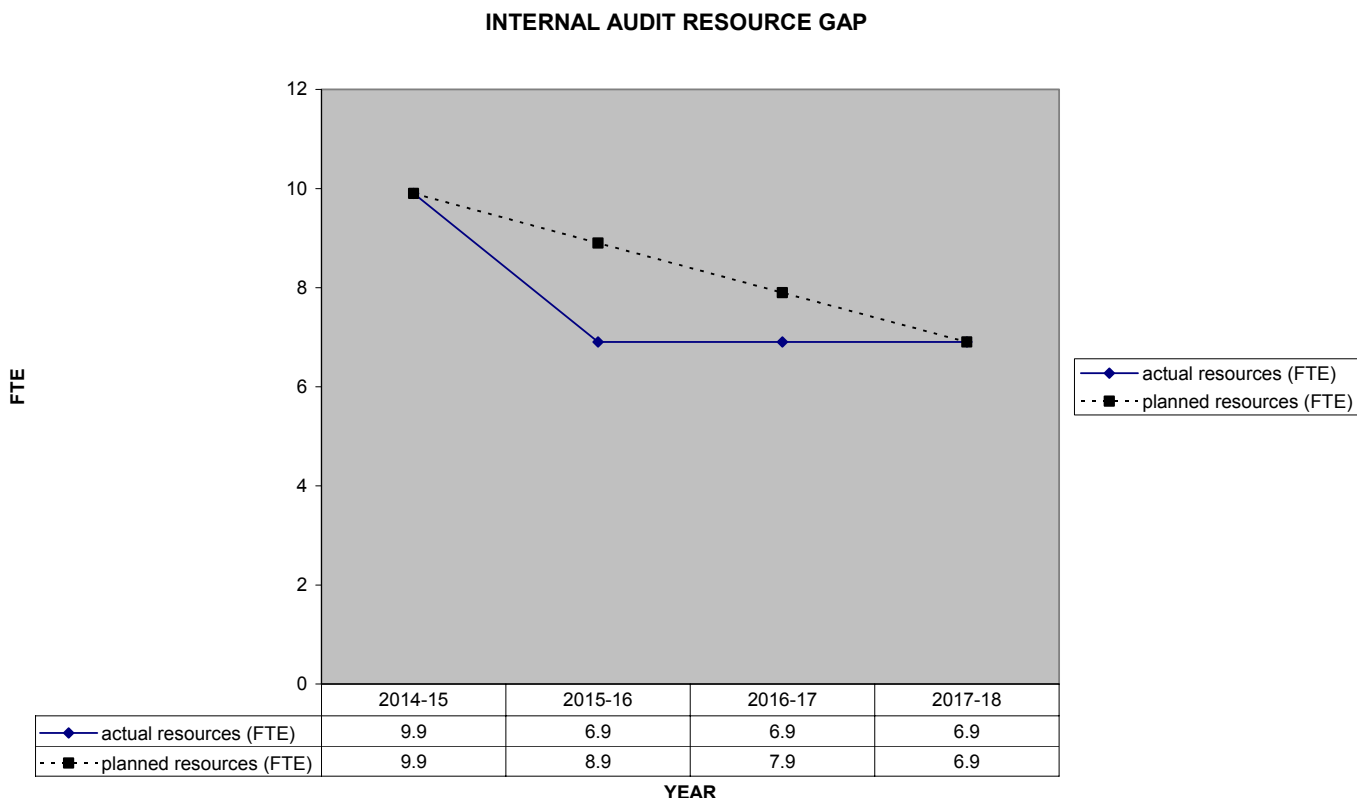
Table 1 below summarises the resource position over the last four years.

Table 1 Resourcing Levels 01.04.2012 to 31.03.2016					
Resources / Reports Analysis 2012/13 to 2015/16					
Year	Net FTEs	Cumulative Net FTE reduction	Cumulative % change	Reports	Cumulative Reduction in Reports
2012/13	13.1	-	-	175	
2013/14	10.6	2.5	19.1%	160	15
2014/15	9.9	3.2	24.43%	150	25
2015/16	6.9	6.2	47.33%	90est	85

3. INTERNAL AUDIT PLAN SUMMARY 2015/16

3.1 The summary of the Internal Audit Plan for 2015/16 in person days, by type of audit activity, is shown in Appendix A. The Plan initially showed a resourcing gap of 463 days, which after undertaking a prioritisation process, was subsequently revised to 59 days and is expected to be closed through a combination of procuring computer audit services from Wakefield Council and usage of part of the 90 days contingency provision.

3.2 This resource gap is attributable to the Service absorbing a net reduction of 3 FTEs in one year, 2015/16, when it was planned for this reduction to be phased over 3 years, commencing in 2015/16 with a 10% (1 FTE) reduction per annuma in resources planned from its 2014/15 establishment base. The resourcing gap is shown in the chart below.



3.3 The Committee needs to determine whether it approves of the Service’s proposed action to reprioritise and reduce the scope and coverage of its initial 2015/16 audit plan in order to match it to available resources. Members will need to be mindful that if this action is pursued, it will result in a reduction in audit assurance, as certain risks will not be audited in as much detail as in prior years and in some cases not at all. Consequently, there is an increased risk that any breakdown in internal control that exists will go undetected by Internal Audit.

Performance against the plan is expected to be very challenging in 2015/16, as the balanced plan gives the Service very limited capacity to absorb unforeseen audit issues and unplanned work, without it affecting the delivery of planned core audit work.

3.4 During the year progress against the audit plan will be regularly monitored to ensure that audit resources are efficiently and effectively deployed. The performance will be reported to the Governance and Audit Committee in the Internal Audit Half Year Monitoring statement in November 2015 and in the Annual Audit Report in June/July 2016.

The majority of assignments will be completed during the year but as is normal working practice some will inevitably be finalised in the following financial year.

The annual plan may change during the year, subject to capacity constraints, to reflect any significant events or new risks that occur through the year.

4. INTERNAL AUDIT PLANNED WORK

- 4.1 An audit risk assessment is undertaken annually on all individual systems throughout the Council. The assessment takes into account a wide number of factors such as financial value, whether the systems operating have changed, Corporate Governance requirements, Corporate and Directors' priorities, prior audit assurance and known areas of concern.

The risk assessment drives the annual audit plan which enables Internal Audit to perform the necessary controls assurance work on the Council's core systems and processes.

- 4.2 The current audit plan is based on a three year plan that was redesigned in 2014/15 for 2015/16 to 2017/18. The new three year plan re-examined the risks of the authority as stated in the corporate risk register and the key financial flows as stated in the financial ledger, to ensure that Internal Audit resources are directed appropriately and that the Council's assurance processes are maintained. In External Audit's view this significantly enhances the Internal Audit planning process.

5 BREAK DOWN OF AUDIT ACTIVITY

The following sections provide the detailed breakdown of the major productive areas covered in the Internal Audit Plan, by audit activity type, together with an indication of some of the key considerations in each area.

5.1 Service Assurance Based Internal Audit Activity

Previous years plans were focused on financial issues however PSIAS require Internal Audit to take a broader view on the Council's business risks and objectives. In order to facilitate this, it was agreed that Internal Audit would review the control environment supporting the Councils Corporate risks. An assurance mapping exercise was performed on the Councils Corporate risk register to identify the possible work Internal Audit could complete to benefit the Council.

This was used to produce a new three year audit plan, the 2015/16 audit plan looks to provide a broader view of audit coverage, as there is provision in the plan to perform four audits that will look at controls which focus on organisational rather than financial issues. These audits will, on a cyclical basis, focus on providing assurance regarding the risk management of a sample of the corporate risks as stated in the corporate risk register. Appendix B shows the suggested cyclical audit coverage of the current corporate risks, which can be revised as appropriate.

The preliminary four corporate risk areas to review in 2015/16 are:

Maintenance of Business Continuity Capacity
Safeguarding Children
Quality Accessible and Affordable Housing
Regeneration and Investment attraction into the District

In addition, the audit plan will look to deliver more service assurance based internal audit activity than in previous years. These are included within the significant systems area of the plan, see Appendix D

5.2 Fundamental Financial Systems

The work undertaken by Internal Audit helps the Director of Finance and External Audit to fulfil their statutory responsibilities. Fundamental financial systems are those systems that have a material impact on the Council's accounts, for example Council Tax. These audits ensure that there are adequate controls to support the Annual Governance Statement and influence the level of External Audit testing.

Appendix A shows that a total of 345 days has been allocated to fundamental financial systems work for 2015/16. This is a decrease of 34% on the 524 days allocated in 2014/15.

The approach to auditing fundamental financial systems has changed in 2015/16 due to the reduction in resources. The approach now only centres on in depth auditing, on a three year cycle, of the controls operating within an element of the fundamental financial systems. This is the prime basis of the Head of Internal Audit and Insurance's assurance statement. The previously performed annual high level review of key risk and controls within each identified fundamental system will no longer be performed.

Details of the fundamental financial systems and their cyclical coverage are shown in Appendix C.

5.3 Significant Systems

The audit risk assessment identifies all the significant audit risks. The work on significant systems of the Council, which are operational within Services, such as Continuing Healthcare, Better Care Fund, Transport Review, Risk Management, Cemeteries and Crematoria supports the Head of Internal Audit and Insurance assurance statement on the internal control systems of the Council. On a three year cycle, Internal Audit aims to cover most of the Council's significant systems.

Details of the planned 3 year coverage of core significant departmental systems including schools are shown in Appendix D. This also includes new systems that are financially significant, as highlighted through the assurance mapping exercise and issues raised by senior management.

Appendix A shows that 299 days has been allocated to significant systems work for 2015/16, which is a decrease of 38% on the 483 days allocated in 2014/15, reflecting the reduction in audit resources.

5.4 School Audits

Schools operate under delegated financial and governance arrangements and have responsibility for significant resources. The audit plan each year includes time for the review of the systems within schools and supporting schools.

Each year audits are undertaken at a number of individual schools deemed higher risk due, for example, to the level of support they need from the School Funding Team or significant changes at the school. These audits assess the mitigation of risks at the school across

seven key systems. The 2015/16 plan includes capacity to perform ten school audits during the year.

In addition, the plan also includes capacity to develop internal control checklists of best practice for schools, which will be placed online. This online offering will enable Internal Audit to reach and influence the financial management within more schools, as they will be empowered to self assess their compliance with these checklists and subsequently make any necessary changes to improve financial management within their school.

Internal Audit will also carry out a themed audit of Financial Monitoring within schools. Themed audits of fundamental and significant systems within schools are undertaken predominantly on a three year cycle as shown in Appendix E, but may vary to meet the needs of the changing environment.

The audit plan for 2015/16 also includes an allocation of time relating to the Schools Financial Value Standard, (SFVS), a Department for Education initiative consisting of 23 questions which School Governing Bodies must discuss annually with their Heads and Senior Staff. Where a 'No' response is entered corrective action should be identified. All maintained schools, except those with an Academy Order in place, are required to complete an annual SFVS assessment and return it to the Council by the 31 March.

Completion of the SFVS is the responsibility of individual schools. However, to assist schools, there is an allocation of time in the audit plan to provide them with SFVS training. The aim of the training, which was first delivered in February 2015 to 45 schools, is to equip Governing Bodies with the skills needed to produce a good quality SFVS return and engage with SFVS fully to ensure the full benefit from the continual review of processes could be achieved. The training will be offered again in the Autumn Term, with a focus on encouraging more governors to attend.

The SFVS also places a requirement on the Director of Finance to have in place a system of audit for schools which gives adequate assurance over their standards of financial management and to take into account the SFVS returns when setting the audit plan for schools. This must be declared within an annual position statement which also details the number of schools carrying out the self assessment. There is an allocation of time within the plan for analysis of the assessments in order to inform the audit plan and the Director of Finance's position statement.

Appendix A shows that the number of resources allocated to schools work for 2015/16 is 172 days, which is a decrease on the 222 days allocated in 2014/15.

5.5 Computer Audit

The Service's computer auditor retired on the 31 March 2015 and it is the Service's intention to buy in computer audit services from Wakefield Council in order that it can continue to provide computer audit coverage. Its computer audit coverage is planned to be delivered over a 3 year cycle as shown in Appendix E.

In addition, during 2014/15 the Head of Internal Audit and Insurance became responsible for the team that delivered Information Governance across the Council. As a consequence, it is planned that Internal Audit will no longer provide audit coverage on information governance, with assurances instead being directly sought and obtained from the Information Governance team.

The 2015/16 Internal Audit Plan provides computer audit coverage of infrastructure and accreditation and standards of ICT across the Council including fundamental systems. Also included in the audit plan is a review of the programme to transition the IT service from an outsource model to an in-house delivered service, when the contract comes to an end on 4 September 2015 at midnight.

A total of 60 days has been allocated to computer audit in 2015/16, which is a significant decrease on the 150 days allocated in 2014/15. This decrease is due to capacity reasons.

5.6 Grants

In 2015/16, as in 2014/15, a number of grant claims will again require audit certification. It appears that central government, whilst having reduced the number of ring fenced grant certifications in the past, now appear to be increasing their usage of them. This is of concern as it is directing Internal Audit resources away from higher risk areas (63 days planned in 2015/16, 49 days in 2014/15). The required grant certifications are listed below.

Troubled Families Grant 2015

s256 Payments 2014/15

West Yorkshire Integrated Transport Authority Grant 2014/15

Additional Highways Maintenance Funding Allocations Grant 2014/15

Pinch Point Funds Grant 2014/15

PE & Sport Grant 2014/15

West Yorkshire Plus Transport Fund 2014/15

Cycling City Ambition Grant 2014/15

Pot Hole Fund

5.7 Follow Up Audits

The Chief Executive and Strategic Directors have the responsibility, in accordance with Financial Regulations, to ensure that the agreed action on Internal Audit report recommendations has been implemented.

Audit resources are also directed towards following up agreed audit recommendations through audit testing. If it is found that agreed critical or high priority recommendations within an audit report have not been fully implemented without good reason, then this will be brought to the attention of the relevant Strategic Director for action.

If critical and high priority recommendations are not fully implemented in a timely manner, this will also be brought to the attention of the Chair of Governance and Audit Committee, so that this matter can be raised with the relevant Strategic Director.

Appendix A shows that the number of resources allocated to follow ups in 2015/16 is 105 days, which is a reduction from the 2014/15 allocation of 152 days.

5.8 Probity Audits

The purpose of probity audits is to ensure that Council establishments are maintaining an appropriate level of financial control. This is mainly achieved through reviewing compliance with the relevant Council key control booklets. The seven booklets are Information Security, SAP Accounts Receivable, Collection and Banking of Income, Inventories and Equipment, Procure to Pay, Human Resources and Payroll, and Performance Indicators.

Appendix A shows that 30 days are allocated for probity audits in 2015/16, the same as was allocated in 2014/15.

5.9 Advice & Controls Awareness

Advisory and control awareness work is mainly demand led and includes advice on system design. This has been reduced to 64 days from 98 days in 2014/15.

5.10 Audits Removed from the 2015/16 Plan

Details of the audits removed from the Original Internal Audit Plan 2015/16 Plan to match the level of available resources is shown in Appendix F. The majority of the 404 days reduction to produce the Internal Audit Plan for 2015/16, came from the Fundamental Systems (142 days) and Significant Systems (245 days) areas of the audit plan, as these are the largest audited areas.

6. West Yorkshire Pension Fund (WYPF)

The WYPF Internal Audit Plan (see Appendix G) is for 170 days commissioned work that is split between investments and the administration of pensions. The volume and value of transactions is used to initially determine the frequency of an audit and necessitates that some of the key financial systems are reviewed more frequently than others. Consideration is also given to the significance of previous recommendations made, new legislation, new systems and the Director's priorities. The timing or frequency of an audit may change if a system is changed or Internal Audit is asked to bring forward a specific audit or has specific concerns. If new systems are introduced these will be prioritised to be audited once the system is embedded.

Investments

Equities are audited every year due to the value of the investments, (68.8% of WYPF's market value at 31.12.14). In addition, in two years out of three, one of the other asset classes is also audited, with 2014/15 being the fallow year. The choice of additional asset class to be audited each year depends on the value of asset class, changing investment priorities, the Director's view and whether there is a new area of investment activity.

Treasury Management is currently being audited on an annual basis following the banking crisis and the increased risk to cash holdings. The Financial Controller has also requested that we carry out a Quality Check on the WYPF statement of accounts on an annual basis.

Pensions

Ensuring that New Pensions and Lumps Sums are correctly calculated and paid is crucial to the success of the system because all future payments are based on this calculation. Therefore this area is audited annually, using a different pensioner type each year.

Pensioners Payroll is audited twice in every five years. Reimbursement of Agency Payments, AVC Arrangements and Life Certificates are audited once every five years because of the low level of recommendations made in previous audits.

All of the other pension audits occur at least once in every five years subject to agreement with the Financial Controller.

Contingency

The WYPF Internal Audit Plan also contains a contingency to accommodate requests for additional work during the year.

INTERNAL AUDIT PLANS FOR 2015/16 AND 2014/15 BY AUDIT ACTIVITY

	Final 2014/15 Plan	Original 2015/16 Plan	Revised 2015/16 Plan –
	2014-15	2015-16	2015-16
Full Time Equivalents	9.9	8.9	6.9
	Days	Days	Days
Fundamental Financial Systems	524	487	345
Significant Systems	483	544	299
Schools	222	171	176
Change Agenda and Added Value	67	0	0
Information Governance	72	0	0
Computer Audit	150	60	60
Grants	49	63	63
Follow-up Audits	152	107	105
Probity Audits	30	40	30
Advice & Control Awareness	98	64	64
West Yorkshire Pension Fund	170	170	170
Contingency Provision	77	100	90
Administration	130	93	93
Management: Plan Delivery	196	129	129
Management: Technical	35	9	9
Training	87	57	57
Management and Overheads Non-BMDC Audit	25	164	164
TOTAL PRODUCTIVE TIME	2567	2258	1854

The current level of resources available to the service in 2015/16 is 1795 days. This represents a drop in available days from the original 2015/16 plan of 463 days. The current revised 2015/16 plan only has reduced days of 404. It is anticipated that the additional 59 days will be met through a combination of procuring computer audit services from Wakefield and a reduction in the 90 days contingency provision.

PLANNED AUDIT COVERAGE OF CORPORATE RISKS

CORPORATE RISKS	Audit Plan Year		
	2015-16	2016-17	2017-18
Maintenance of Business Continuity Capacity	X		
Adults Safeguarding Incident		X	
Demographic Change			X
Educational Attainment		X	
Childrens Safeguarding Incident	X		
Environment and Sustainability			X
Budget Pressure and Resource Constraints		X	
Information Security			X
Governance Resilience		X	
Partnership Delivery			X
Delivery of Skills and Training Priority		X	
Quality Accessible and Affordable Housing	X		
Public Health Priorities			X
Food Safety and Health Management		X	
Regeneration and Investment attraction into the District	X		
Maintenance of Cohesive Communities			X

FUNDAMENTAL SYSTEMS – 3 YEAR CYCLE OF DETAILED COVERAGE

Fundamental System	AUDIT PLAN YEAR		
	2015-16	2016-17	2017-18
Council Tax/NNDR			
Valuation/Billing/Liability			X
Collection/Recovery/Enforcement	X		
Refunds/Write offs	X		
Benefits			
Assessment & Payments		X	
Overpayments	X		
Appeals	X		
Exempt Accommodation	X		
Discretionary Benefits	X		X
Accounts Receivable			
Billing	X		
Collection/Recovery & Enforcement	X		
Write offs	X		
Credit notes	X		
Procure to Pay/Procurement			
Requisitioning/Ordering/Receipting	X		
Payments		X	
Feeder files		X	
Supplier database maintenance		X	
Miscellaneous Payments		X	
Procurement Processes (Quotes, Tenders, Contract Award)	X	X	X
Third Sector Contracts	X		
Purchase Cards	X		
Corporate Contracts			X
Agency Staff / Consultants			X
Payroll			
Starters*	X		X
Leavers*	X		X
Payroll Processing			X
Temporary and Permanent Variations		X	
Expenses/Allowances		X	
Statutory Payments (Maternity etc)		X	
* alternate between Schools and Council			

FUNDAMENTAL SYSTEMS – 3 YEAR CYCLE OF DETAILED COVERAGE

AUDIT PLAN YEAR			
Fundamental System	2015-16	2016-17	2017-18
Cash, Banking, Investments and Loans			
Cash collection & Banking	X	X	X
Cash purchasing	X		
Bank reconciliation/unallocated cash	X	X	X
Investments and Loans			X
General Ledger & Budgetary control			
Budgetary control		X	
Journals/virements/amendments/feeder systems/suspense accounts/coding structure			X
Capital			
Accuracy of Asset Management register (CAFM):			
Revaluations	X		X
Capital Programme		X	
Additions	X		X
Disposals	X		X
Capital accounting		X	
Capital Schemes	X	X	X
BSF/PFI Schemes		X	

CORE DEPARTMENT SYSTEMS INCLUDING SCHOOLS – 3 YEAR PLANNED COVERAGE

	CORE DEPARTMENT SYSTEMS INCLUDING SCHOOLS	Audit Plan Year		
		2015-16	2016-17	2017 -18
Adults Services	Continuing Healthcare	x		
	Partnership Agreements			x
	Personalisation	x		
	Direct Payments			x
	S117 Mental Health			x
	Better Care Fund/Care At 2014	x		
	Supporting People/Housing Related Support		x	
	Homecare income from client (£5.7m income)		x	
	BACES (£2.5m gross exp)			x
	Residential homes site reviews (£6.3m gross exp)	x		
	Purchased care – Older People (£28m)/Learning Disabilities (£16m)/Mental Health (£5m)	x	x	x
	Strategic Commissioning (LD Contracts £22m)		x	
Children's Services	School Funding Allocation		x	
	Payment of Fostering Fees and Allowances (£9.5m)		x	
	Safeguarding Children (also a corporate risk)	x		
	School Transport Review	x		
	Transitional Planning including Personalised Budgets & SEN/Health Care Plans		x	
	Payment to OLA's and Private Providers			x
	Early Years Formula Funding			x
	Payment to Independent Special Schools		x	
	Children's Centres		x	
Corporate	Bradford I / IT			x
	Risk Management	x		
	Corporate Governance			x
	Data Quality/Performance Management			x
	Insurance		x	
	Member's Allowances		x	
	Emergency Planning (also a corporate risk)	x		
	Grants certification	x	x	x
	Grants to Voluntary Organisations		x	

APPENDIX D (Continued)

Environment & Sport	Waste Management			x
	Trade Refuse and Recycling Income			x
	Licensing (Taxis etc)		x	
	Land Charges		x	
	Civil Enforcement Parking/Fines & Summonses			x
	Transport incl vehicle repairs and maintenance, fuel recharge		x	
	Warden & Cleansing Services		x	
	Cemeteries and Crematoria	x		
Public Health	Community Care Trust Contract			x
	Other Elements of Service Delivery	x	x	
Regeneration & Culture	Market Rents	x		
	Other Rents		x	
	Affordable Housing / New Homes Bonus (also a corporate risk)	x		x
	Building Maintenance/ ECS Building Cleaning Contract		x	
	School Catering		x	
	Regional Growth Fund		x	
	Transport & Highways			x
	Energy Management/Carbon Reduction/Utilities	x		x
	Planning Applications and Building Regulations Fees		x	
	Rental Payments		x	
	Theatre Ticket Charges & Admissions (Env & Sport)			x
	Artistes Fees Payments	x		
Schools	Schools Capital Income and Expenditure		x	
	School Bank Accounts		x	
	Financial Monitoring - Including Control of Balances	x		
	Procurement			x
	Payroll			x
	6 th Form Funding Assurance			x
	Safeguarding and Safer Recruitment			x
	Cluster Funding Arrangements		x	
Pupil Referral Units		x		

COMPUTER AUDIT 3 YEAR AUDIT PLAN 2015-16 TO 2017-18

	AUDIT PLAN YEAR		
	2015-16	2016-17	2017-18
Infrastructure	X		
Security			X
Contingency Planning		X	
Accreditation and Standards	X		
Applications			X
E Government		X	

AUDITS REMOVED FROM THE INITIAL 2015/16 AUDIT PLAN TO CLOSE THE RESOURCING GAP

Activity	Rationale for Removal from 15/16 Plan	Further Action/ Considerations
Accounts Receivable Assurance 15/16	Assurance will be provided over longer period through more in depth audits.	N/A
QA/review of exception reports	Capacity pressures. Prior audits given excellent opinion. External Audit will have to test control if still relevant.	N/A
Capital accounting (concerns raised)	To keep the level of coverage in this area proportional	Pick up issues when capital accounting is reviewed in future year.
Investments and Loans - Assurance 2015/16	Assurance will be provided over longer period through more in depth audits.	Ensure Council Loans & Investments full audit is covered at least once in 3 years.
CT&NNDR - Assurance 15/16 + cash receipting	Assurance will be provided over longer period through more in depth audits.	N/A
Payroll Assurance 15/16	Assurance will be provided over longer period through more in depth audits.	N/A
Journals/virements/ amendments/feeder systems/suspense accounts/ coding structure	Not key. Key area of budgetary control is included in 2015/16 plan.	None
capital scheme 2	Capacity pressures. The plan still has more procurement /capital than before. Removing this job maintains proportionality.	N/A
HR contingency	No specific risk identified. Director can use time allocated to Safer Recruitment if they have alternative significant concerns.	Confirm with HR Director
Sport pitches / bowling greens income collection	Sports and Leisure income is also included with a review of Doe Park. Values not material enough for 2 reviews	Consider as focus area for future income audits.
Payment of Fostering Fees and Allowances	Audit last carried out in the second half of 2011/12.	Add to 2016/17 plan
Transitional Planning including Personalised Budgets & SEN/Health Care Plans	Defer as there is a member led review of transitional planning ongoing.	Consider for inclusion in 2016/17 audit plan
Other Adults audits to be identified	Provision of time to be allocated. Remove before allocated, other service audits within Adults being performed.	None
s117 Mental Health Follow Up	Audit completed in 14/15	None
Public Health	No specific scope. Could use time from contingency if required.	May need to use advice contingency.
School Catering	New delivery model currently being investigated with resources from other Finance teams.	Could use some of advice allocation if required. Consider for audit once new model is in place.
Regional Growth Fund	The statutory audit of this funding is carried out as a separate contract by External Audit.	N/A
Insurance	Capacity pressures. Prior audit gave good opinion. Defer audit to 16/17	Add to audit plan for 2016/17
Member's allowances	Last audited second half of 2011/12	Add to audit plan for 2016/17

APPENDIX F (continued)

Activity	Rationale for Removal from 15/16 Plan	Further Action/ Considerations
Systems/governance advice to Waste Collection Service	Currently doing an audit in Waste Management that may have relevance. If further advice is needed this could come from 'advice' contingency.	May need to use advice contingency.
New swimming pools	No specific scope. Could use time from advice allocation if required.	May need to use advice contingency.
Risk Management - Identification of and reporting on corporate risks	Overview of risk management processes carried out in 2014/15. Detail will emerge as part of review of individual risks.	Ensure review of individual risks includes opinion on processes.
Developing audit overview on SD objectives - SY lessons	Capacity exists elsewhere within the plan to cover corporate risks and issues on a priority basis.	None
Strategic risk 4	Duplication, emergency planning is one specific strategic risk identified to audit, there will be provision for 3 more meaning 4 strategic risks will be audited in total	None
Contingency	No specific scope, only 10% reduction	None

APPENDIX G

WYPF Plan 2014/15 to 2016/17			
	2014/15	2015/16	2016/17
Pensions Administration			
Local Government Scheme Contributions	x		x
New Pensions and Lump Sums – Normal & Early Retirements	x	x	x
New Pension and Lump Sums - Fire Service		x	
Transfers Out	x		
Transfers In			x
Reimbursement of Agency Payments		x	
Life Certificates		x	
Pensioners Payroll		x	
Purchase of Additional Pension	x		
Annual Benefit Statements			x
Admission of New Bodies	x		
Information Security		x	
Investments			
UK Equities/Verification of Assets		x	
Foreign/Verification of Assets	x		x
One other asset class to audit		x	x
Cash Treasury Management (Short term Lending)	x	x	x
Stock Lending (UK/Foreign and Gilts)			x
Compliance with the IAP Panel's Investment Decisions/Policies			x
Annual Accounts Verification	x	x	x