

Report of the Director of Finance to the meeting of the Governance and Audit Committee to be held on 15 April 2016.

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Subject:

INTERNAL AUDIT PLAN 2016/17

Summary statement:

This report outlines the Internal Audit Plan for the financial year 2016/17. 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 2016/17, 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 2016/17.
- 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 2016/17 and indicative plans for 2017/18 and 2018/19.

2. BACKGROUND

Internal Audit Plan 2016/17

- 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 2016/17 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, Insurance, Information Governance and Risk 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 This 2016/17 Internal Audit Plan is the second year of a three year plan that was designed to cover 2015/16 to 2017/18. The three year plan examined the Council's 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. The 2016/17 plan is based on this original review but incorporates any known new changes to the Council's risk profile. In addition the 2016/17 plan takes into account any slippage from the 2015/16 Internal Audit Plan.
- 2.4 In 2018/19 it is envisaged that a new three year plan will be adopted which will take into account the new environment and financial envelope the Council will operate in. These changes are likely to be very significant. The audit coverage indicated in the attached plan which covers 2018/19 does not incorporate this revised position but is the simple rolling forward of the work completed in 2015/16 plus any known deferrals from 2016/17 and 2017/18.
- 2.5 Performance against the plan is expected to be very challenging in 2016/17, as it was in 2015/16. 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 2016 and in the Annual Audit Report in June/July 2017.

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 2015 requires the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. 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 2016/17.

12. APPENDICES

12.1 Appendix 1 – Internal Audit Plan 2016/17

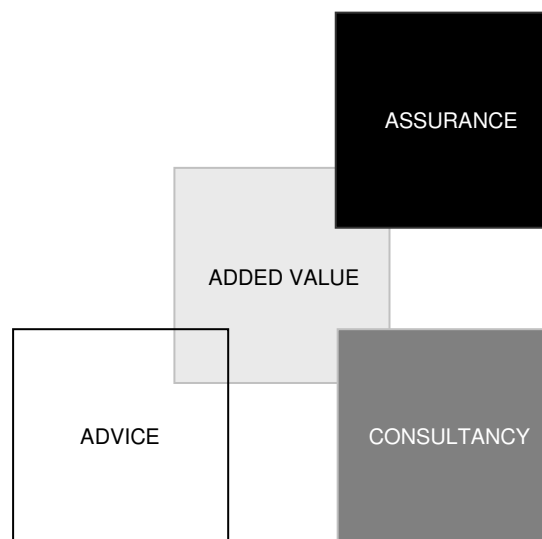
13. BACKGROUND DOCUMENTS

13.1 Accounts and Audit Regulations 2015.

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 2016/17



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 2015.

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 2016/17 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 2016/17 and indicative plans for 2017/18 and 2018/19.

MARK ST ROMAINE

Head of Internal Audit, Insurance, Information Governance and Risk

March 2016

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. EXTERNAL ASSESSMENT OF INTERNAL AUDIT

2.1 In order to comply with PSIAS, Internal Audit must adopt a Quality Assurance and Improvement Plan. This is a combination of an Internal and External Assessment process. Over the last two years Councils in West and South Yorkshire have been looking to establish a peer review process which will allow each Council to comply with the external assessment element of the PSIAS. It is also envisaged that by taking a peer review approach any additional costs will be limited. In the last quarter of 2015/16 Bradford Internal Audit conducted the external assessment of Barnsley and if the peer review process is to continue then Doncaster are planned to do the review of Bradford Internal Audit in the second half of 2016/17.

2.2 It is the responsibility of the Governance and Audit Committee to determine who should undertake the review of Internal Audit and the scope of the review that should take place. A report will be prepared for the Committee to consider this later in the financial year. This will detail the proposed external assessment, its peer review basis and how it will be incorporated into the quality assurance and improvement plan.

3. JOINT WORKING WITH WAKEFIELD

3.1 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 to determine an option appraisal for future service delivery. Originally the Business Plan was to be prepared for December 2015 but the timeline has been deferred until April 2016.

3.2 Joint working with Wakefield was developed further in 2015/16 with Wakefield's Computer Auditor working on a part time basis with Bradford. The two Councils were also looking to

merge its Corporate Fraud functions. In 2016/17 the Internal Audit Plans for both councils will be shared and the Audit Managers will look to jointly develop work programmes and for expertise in specific audit services to be enhanced. As in 2015/16 there is the intention to arrange a joint training event for the teams from both Councils.

4. MK INSIGHT

- 4.1 One of the barriers to joint working between Bradford and Wakefield has been that both services use different processes for conducting audits and managing the Internal Audit plan. In order to reduce this barrier, an outline business case was prepared for the approval of the purchase of MK Insight by Bradford Council's Internal Audit Service. MK Insight is an integrated Internal Audit ICT package which delivers a complete range of Internal Audit functionality from planning, to reporting including time recording and working paper preparation. This would replace the collection of manual and Microsoft based documents and out of date in house packages currently operated by Bradford Council. As Wakefield Council also uses MK Insight it would facilitate the opportunity for increased joint working between the two Councils' Internal Audit Services and also enable agile working by Bradford's Internal Audit Team.
- 4.2 In 2015/16 a business case was prepared which supported the purchase of MK Insight by Bradford Council Internal Audit Service. This reviewed the value for money position, determined an action plan for the Implementation of MK Insight and identified the key risks to Bradford Council from the available ways forward.
- 4.3 After considering appropriate advice from Procurement and ICT the Audit Management Team and the Council's Director of Finance agreed that the adoption of MK Insight was the correct way forward and 10 Licences have been purchased.
- 4.4 Following a period of training and development MK Insight will begin to be used by the Internal Audit Team from October 2016 with a view to being fully operational from April 2017. It is estimated that the implementation of MK Insight will take up 150 resource days in 2016/17.

5. RESOURCES AVAILABLE

- 5.1 The total net resources available to Internal Audit are 1,873 person days (7.2 FTE) which has slightly increased by 78 days (0.3 FTE) from the 1,795 days (6.9 FTE) available in 2015/16. This increase is due to the full year effect of buying in computer audit service days from Wakefield. There are currently no further staffing changes planned to the Internal Audit establishment in 2016/17.

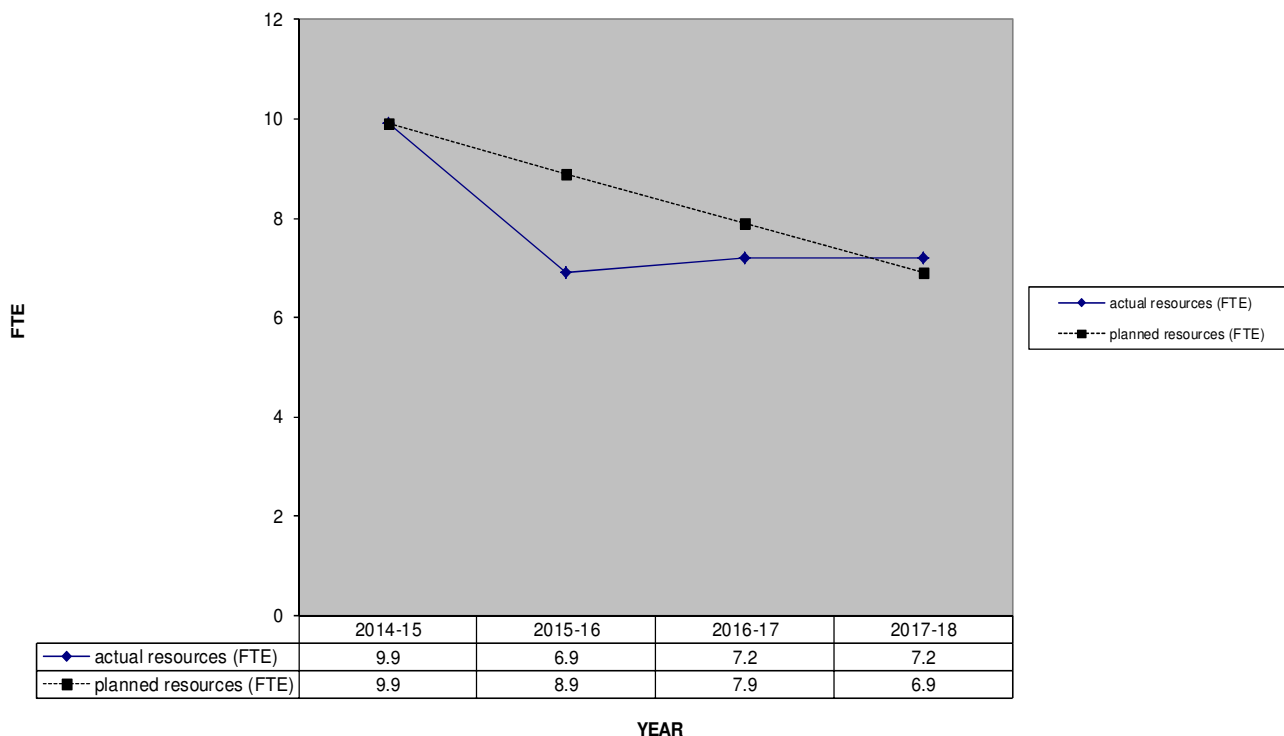
6. INTERNAL AUDIT PLAN SUMMARY 2016/17

- 6.1 The Internal Audit Plan details the work planned for the 2016/17 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, Insurance, Information Governance and Risk to gain sufficient evidence to be able to form an opinion on the internal control systems of the Council that it has reviewed.
- 6.2 This 2016/17 Internal Audit Plan is the second year of a three year plan that was designed to cover 2015/16 to 2017/18. The three year plan examined the councils 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. The 2016/17

plan is based on this original review but incorporates any known new changes to the council's risk profile and takes into account any work carried rolled forward from 2015/16.

- 6.3 In 2018/19 it is envisaged that a new three year plan will be adopted which will take into account the new environment and financial envelope the Council will operate in. These changes are likely to be very significant. The audit coverage indicated in this plan which covers 2018/19 does not incorporate this revised position but is the simple rolling forward of the work completed in 2015/16 plus any known deferrals from 2016/17 and 2017/18.
- 6.4 The summary of the Internal Audit Plan for 2016/17 in person days, by type of audit activity, is shown in Appendix A. The plan initially showed a resourcing gap but has been brought into balance after undertaking a prioritisation process, based on risk, materiality and service knowledge which has seen a number of audits deferred into future years, and some removed from the three year plan altogether. Changes were also made to the 2017/18 and 2018/19 years of the plan as a result of this. A summary of these changes is given in Appendix F.
- 6.5 It should be noted that whilst the audit plan is now balanced, some of the deferred audits, which relate to significant risks, would have been performed in 2016/17 if Internal Audit had sufficient capacity.
- 6.6 Whilst there has been a slight increase in the resources available to internal audit from last year, this still does not compensate for the resource gap caused by the unplanned reduction of 3 FTEs in 2014/15. The service is still operating at a reduced capacity that was expected to be achieved in 2017/18 as detailed in the graph below. There are no planned changes to the Service's structure during the 2016/17 financial year.

INTERNAL AUDIT RESOURCE GAP



- 6.7 Performance against the plan is expected to be very challenging in 2016/17, 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. Over the last four years the number of audit reports produced by the team has almost halved from 160 to approximately 85 reports per annum.
- 6.8 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 2016 and in the Annual Audit Report in June/July 2017.
- 6.9 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.

7 BREAKDOWN 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.

7.1 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 Council's Corporate risks. An assurance mapping exercise was performed on the Council's 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 2016/17 audit plan looks to provide a broader view of audit coverage, as there is provision in the plan to perform five 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.

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.

7.2 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 292 days has been allocated to fundamental financial systems work for 2016/17. This is a decrease of 15% on the 345 days allocated in 2015/16.

The approach to auditing fundamental financial systems was 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, Insurance, Information Governance and Risk'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.

7.3 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, supports the 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 is 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 324 days has been allocated to significant systems work for 2016/17, which is an increase of 8% on the 299 days allocated in 2015/16.

7.4 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 providing advice to 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 areas. The 2016/17 plan includes capacity to perform ten school audits during the year. The position regarding academy conversions will also be monitored throughout 2016/17 to ensure audit resources are focussed appropriately within this changing landscape.

The plan includes capacity to roll out and review the Internal Control Checklists which have been developed during 2015/16 with the intention of enabling schools to become more self reliant in assessing their controls against good practice.

There is an allocation of time relating to the Schools Financial Value Standard, (SFVS), an Education Funding Agency initiative consisting of 25 questions which School Governing Bodies must discuss annually with their Heads and Senior Staff. All maintained schools, except those that meet certain exception criteria, are required to complete an annual SFVS assessment and return it to the Council by the 31 March.

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.

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 and repeated in November 2015, is to equip Governing Bodies with the skills needed to produce a good quality SFVS return. Due to the positive feedback from the training to date, it is intended to offer this once again with the intention of covering as many schools in the district as possible.

Appendix A shows that the number of resources allocated to schools work for 2016/17 is 171 days, which is consistent with the 176 days allocated in 2015/16.

7.5 Computer Audit

Computer audit coverage is planned to be delivered over a 3 year cycle as shown in Appendix E. A total of 60 days has been allocated to computer audit in 2016/17, which is consistent with the days allocated in 2015/16, however in 2016/17 the provision will be delivered entirely through the computer audit services bought in from Wakefield Council.

7.6 Grants

There are no significant differences in the number of grants and funding streams known to require certification in 2016/17 compared to 2015/16, although, as in previous years there is always potential for Internal Audit to receive notification of new grant certifications during the year.

Grant work has been allocated 65 days within the 2016/17 plan to complete the certifications listed below.

Cycle City Ambition Grant 2015/16
Disabled Facilities Grant 2015/16
Families First Funding
Highways Challenge Fund Grant 2015/16
Local Authority Bus Subsidy Grant 2015/16
Pinch Point Funds Grant 2015/16
PE & Sport Grant 2015/16
WCA Local Transport Block Funding 2015/16
West Yorkshire Plus Transport Fund 2015/16

7.7 Follow Up Audits

The Chief Executive and Strategic Directors have responsibility, in accordance with Financial Regulations, to ensure that agreed action on Internal Audit report recommendations has been implemented; and on an annual basis Internal Audit seek written confirmation of the level of progress of implementation.

In addition a sample of follow up audits are carried out to confirm that actual progress is in line with that stated.

During 2016/17 Internal Audit will look to enhance the way in which recommendations are monitored with the aim of encouraging more timely implementation of recommendations and improving the accuracy of the annual Director's sign off.

Appendix A shows that the number of resources allocated to follow ups in 2016/17 is 93 days, which is a reduction from the 2015/16 allocation of 105 days.

7.8 Probity Audits

The purpose of probity audits is to ensure that Council establishments are maintaining an appropriate level of financial control. There will be some audit coverage of Council establishments in 2016/17 in the pursuance of the fundamental and significant systems' areas of the audit plan.

However, no days have been allocated specifically to the performance of probity audits in 2016/17, which compares to the 30 days allocation in 2015/16. This decision has been taken due to capacity reasons and their relatively low audit risk.

It should be noted that the annual key control book self assessment process also provides a level of assurance that establishments have an appropriate level of financial control.

7.9 Advice & Controls Awareness

Advisory and control awareness work is mainly demand led and includes advice on system design. This has been allocated 64 days in 2016/17, which is identical to 2015/16 allocation.

7.10 Audits Deferred and Deleted from the 2016/17 Plan (and 2017/18 Plan)

Details of the audits deferred and deleted from the initial Internal Audit Plan 2016/17 to match the level of available resources is shown in Appendix F. The appendix shows the rationale for their removal and also includes those audits that were originally planned in the 3 year plan for 2017/18 that will now be deferred to 2018-19, or are not planned to be performed at all.

8. 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, (69.1% of WYPF's market value at 31.12.15). In addition, one of the other asset classes is also audited. 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. Direct Property Investment will be audited as a new investment area for the first time in 2016/17.

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.

Local Government Scheme Contributions are audited every two years, whilst Annual Benefits Statements are audited twice in every five years, Transfers In every three years and Purchase of Additional Pension once every five years.

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 2016/17 AND 2015/16 BY AUDIT ACTIVITY

	2015/16 Plan	2016-17 Plan
	2015-16	2016-17
Full Time Equivalents	6.9	7.2
	Days	Days
Fundamental Financial Systems	345	292
Significant Systems	299	324
Schools	176	171
Computer Audit	60	60
Grants	63	65
Follow-up Audits	105	93
Probity Audits	30	0
Advice & Control Awareness	64	64
West Yorkshire Pension Fund	170	171
Administration	93	96
Management: Plan Delivery	129	107
Management: Technical	9	21
Training	57	60
MK Insight	0	150
Management and Overheads	164	184
Non-BMDC Audit		
Contingency Provision	90	15
TOTAL PRODUCTIVE TIME	1854	1873

PLANNED AUDIT COVERAGE OF CORPORATE RISKS

CORPORATE RISKS	Audit Plan Year		
	2016-17	2017-18	2018-19
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	
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		
	2016-17	2017-18	2018-19
Council Tax/NNDR			
Valuation/Billing/Liability		x	
Collection/Recovery/ Refunds/Write offs			x
Enforcement (all revenue streams)	x		
Benefits			
Payments	x		
Overpayments			x
Exempt Accommodation			x
Discretionary Benefits		x	
Accounts Receivable			
Invoicing		x	
Collection/Recovery & Write offs			x
Credit notes			x
Enforcement (all revenue streams)	x		
Procure to Pay/Procurement			
Requisitioning/Ordering/Receipting			x
Payments including feeder files and miscellaneous Payments	x		
Supplier database maintenance	x		
Procurement Processes (Quotes, Tenders, Contract Award)	x		
Third Sector Contracts			x
Purchase Cards			x
Compliance with Corporate Contracts & Frameworks		x	
Awarding of Corporate Contracts & Frameworks			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		
External Payroll Provision	x		
* alternate between Schools and Council			

FUNDAMENTAL SYSTEMS – 3 YEAR CYCLE OF DETAILED COVERAGE
Audits Deferred and Deleted from the 2016/17 Plan (and 2017/18 Plan)

AUDIT PLAN YEAR			
Fundamental System	2016-17	2017-18	2018-19
Cash, Banking, Investments and Loans			
Cash collection & Banking	x		x
Cash purchasing	x		
Bank reconciliation/unallocated cash	x	x	x
Investments and Loans		x	
General Ledger & Budgetary control			
Budgetary control (linked to strategic risk 16/17)	x		
Journals/virements/amendments/feeder systems/suspense accounts/coding structure		x	
Capital			
Accuracy of Asset Management register (CAFM): Revaluations, additions and disposals	x		x
Capital Programme			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		
		2016-17	2017 - 18	2018 - 19
Adults Services	Continuing Healthcare	x		
	Resource Allocation System	x		
	Direct Payments (c£5.4m 14/15 budget)	x		
	Individual Service Funds			x
	S117 Mental Health		x	
	Better Care Fund		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 inc ContrOCC – Older People (£28m)/Learning Disabilities (£16m)/Mental Health (£5m)	x	x	x
	Strategic Commissioning (LD Contracts £22m)		x	
	Transitional Planning (cross cutting with Childrens)	x		
Children's Services	School Funding Allocation			x
	Payment of Fostering Fees and Allowances (£9.5m) - Reduction in fees and allowances etc agreed by Exec in 2015	x		
	(School) Transport Review – £13.5m spend. eligibility criteria change, service reconfiguration to deliver £4.9m savings in 16/17 & 17/18	x		x
	Transitional Planning (cross cutting with Adults)	x		
	Payment to OLA's and Private Providers (14/15 budget £6.4m)		x	
	Early Years Formula Funding (£40m)			x
Corporate	Risk Management			x
	Data Quality/Performance Management		x	
	Insurance (£2m premium & £4m costs p.a)	x		
	Member's Allowances		x	
	Corporate Fraud		x	
	Grants certification	x	x	x
	Grants to Voluntary Organisations (£10.3m 14/15 budget)	x		

APPENDIX D (Continued)

Environment & Sport	Waste Management (£13.2m exp in 14/15)		x	
	Trade Refuse and Recycling Income (£7.5m in 14/15)		x	
	Licensing (Taxis etc)	x		
	Civil Enforcement Parking/Fines & Summonses – (14/15 budget approx. £3m income) previous income issues identified		x	
	Transport incl vehicle repairs and maintenance, fuel recharge – c£10m has links with (school) transport review		x	
	Theatre Ticket Charges & Admissions (c£8m)		x	
	Artistes Fees Payments (c£7m)			x
	Cemeteries and Crematoria			x
Public Health	Review Elements of Public Health Service Delivery	x	x	x
Regeneration & Culture	Rents including miscellaneous, market and other rents			x
	Building Maintenance/ Services (c£28m in 14/15 budget).		x	
	School Catering (c£9m 14/15 budget possible review of electronic payment system)	x		
	Transport & Highways - c£3m budget in 14/15		x	
	Energy Management/Carbon Reduction/Utilities -14/15 budget in £6.8m		x	x
	Planning Applications and Building Regulations Fees - £3m income p.a	x		
	S106 and Community Infrastructure Levy		x	

COMPUTER AUDIT 3 YEAR AUDIT PLAN 2016-17 TO 2018-19

	2016-17	2017-18	2018-19
Infrastructure			x
Security		x	
Contingency Planning	x		
Accreditation and Standards			x
Applications		x	
E Government	x		

Audits Deferred and Deleted from the 2016/17 Plan (and 2017/18 Plan)

1. Deferrals - 2016/17 Plan

Audit	Deferred To	Rationale
Supporting People/Housing Related Support	18-19	Housing options reviewed in 15-16
Transport incl vehicle repairs, maintenance, fuel recharge	17-18	Links to ongoing transport review that audit are advising on
Other rents	18-19	Is part of Miscellaneous Rents that were audited in 15-16
Building Maintenance/Services	17-18	Last audited in 14-15
Homecare income from client	17-18	Capacity reasons/equalising Adults plan
Strategic Commissioning (LD Contracts)	17-18	Capacity reasons/equalising Adults plan
School Funding Allocation	18-19	Capacity reasons and impact of academisation may change audit priorities
BSF/PFI Schemes	17-18	Capacity reasons and future audit need requires clarification
Capital Programme	18-19	Capital programme and monitoring audit performed in 15-16
Members' Allowances	17-18	Capacity and materiality reasons
S106 and Community Infrastructure Levy	17-18	New system to be introduced in 17-18
Educational attainment strategic risk	17-18	Capacity reasons/equalising Corporate risk coverage

2. Deferrals - 2017/18 Plan

Audit	Deferred To	Rationale
BACES	18-19	Audited in 15-16
Early Years Formula Funding	18-19	Audited in 15-16
Demographic Change	18-19	Equalising Corporate risk coverage

3. Deletions – 2016/17 & 2017/18 Plans

Audit	Deleted From	Rationale
Payment to Independent Special Schools	16-17	Some duplicate audit coverage as considered in schools audit programme
Children's Centres	16-17	Number reducing
Land charges	16-17	Further analysis shows that 15-16 budget is £400k which is less than our £1m deminimis
Warden and Cleaning Services	16-17	Rationale for inclusion unknown probable input error
Regional Growth Fund	16-17	Audited by External Audit
Rental Payments (for buildings not owned by BMDC)	16-17	Rationalisation of corporate estate is significantly reducing rental payments
Schools themed audits	16-17 to 18-19	Drive towards all schools being out of LEA control reduces the need/benefit
Procurement Processes (Quotes, Tenders, Contract Award)	17-18 & 18-19	Frequency of audit excessive - revised from every year to once every three years
Partnership Agreements	17-18	Not an audit in itself but a control within Adult Services' audits
Bradford I/IT	17-18	Duplication covered within computer audit section of plan
Corporate Governance	17-18	Delete as duplicate entry with governance resilience strategic risk
Community Care Trust Contract	17-18	No longer require auditing
Affordable Housing/New Homes Bonus	17-18	Delete as duplicate entry with affordable housing strategic risk
Emergency Planning	18-19	Delete as duplicate entry with business continuity strategic risk
Benefit Appeals	18-19	Audit halted at planning stage as found that there was no new process to audit and very few appeals were being received, so no justification for the audit in 15/16 or subsequent years.

APPENDIX G

WYPF Plan 2016/17 to 2018/19			
	2016/17	2017/18	2018/19
Pensions Administration			
Local Government Scheme Contributions	X		X
New Pensions and Lump Sums – Death in Service, Post Retirement & Dependent Benefits	X		
New Pensions and Lump Sums – Ill Health Pensions			X
New Pensions and Lump Sums – Deferred Pensions		X	
New Pension and Lump Sums - Fire Service			X
Transfers Out		X	
Transfers In	X		
Pensioners Payroll			X
Purchase of Additional Pension	X		
Annual Benefit Statements	X		
WYPF ICT			X
Investments			
Equities	X	X	X
Direct Property	X		
UK Fixed and Index Linked Public and Corporate Bonds		X	
UK Unit Trusts (Property and Other)		X	
Fund of Hedge Funds		X	
UK and Overseas Private Equities			X
Global Bonds			X
Stock Lending		X	
Verification of Assets		X	
Cash Treasury Management (Short term Lending)	X	X	X
Compliance with the IAP Panel's Investment Decisions/Policies	X		
Annual Accounts Verification	X	X	X