

Audit Committee

29th March 2018



Report of: Interim Chief Internal Auditor

Title: Internal Audit – Draft Plan 2018/19.

Ward: N/A

Officer Presenting Report: Jonathan Idle – Interim Chief Internal Auditor
Alison Mullis – Head of Internal Audit (Job Share)

Recommendation

The Audit Committee review and approve the draft Internal Audit Plan for 2018/19. In doing so, the Committee should ensure the plan reflects the areas for which they will require assurance from Internal Audit in 2018/19.

Summary

The report provides the Audit Committee with the Audit Plan for 2018/19.

The significant issues in the report are:

- The methodologies used to formulate the Annual Audit Plan; (paragraphs 2.3 - 2.7 of Appendix A)
- Resourcing the plan. (Section 3 of Appendix A)
- Key areas of focus included in the plan. (Section 4 of Appendix A)
- Plan deliver and performance monitoring. (Section 5 of Appendix A)
- The Internal Audit Plan. (Appendix B)

Policy

1. Audit Committee Terms of Reference.

Consultation

2. Internal

Policy and Statutory Board.

Each of the Directorate Management Teams

S151 Officer

Finance Management Team

Cabinet Member for Finance, Governance and Performance

Other management.

3. External

Currently liaising with External Auditor – BDO Ltd.

Context

4. The Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end, it should seek assurance that the key areas that contribute to this framework are operating properly.
5. The Council's Internal Audit service is a key component of the assurance framework and the Audit Committee's Terms of Reference includes a requirement to provide independent assurance to the Council in relation to internal audit activity. The Audit Committee need to consider if the planned Internal Audit work is appropriate and sufficient to provide the Committee with the assurance it requires. Public Sector Internal Audit Standards 2013 include guidance that the Committee should review and approve the Internal Audit work plan.

Proposal

6. The Audit Committee review and approve the draft Internal Audit Plan for 2018/19. In doing so, the Committee should ensure that plan reflects the areas for which they will require assurance from Internal audit in 2018/19.

Other Options Considered

7. None Necessary.

Risk Assessment

8. An adequate and effective internal audit service, as well as a statutory requirement, is an integral part of good governance. A sound Internal Audit planning process minimises the risk of non-compliance with statute and good practice, and at the same time maximises the value that Internal Audit adds to the Council's governance arrangements and internal control environment.

Public Sector Equality Duties

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
 - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
 - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.
- 8b) No equalities assessment necessary for this report.

Legal and Resource Implications

Legal – Not applicable

Financial

(a) Revenue – Not applicable

(b) Capital – Not applicable

Land/Property - Not applicable

Human Resources - Not applicable

Appendices:

- **Appendices A and B – Internal Audit Draft Plan Report and Draft Plan for 2018/19**

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Audit Planning Files, Corporate and Directorate Risk Registers, Public Sector Internal Audit Standards.



A

BRISTOL INTERNAL AUDIT

Information Classification: Level 0 Unclassified

APPENDIX A

INTERNAL AUDIT: DRAFT PLAN 2018/19

Date: March 2018

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1. Purpose of this Annual Plan Report

1.1 This report provides an overview of Internal Audit's proposed work plan for 2018/19. Its purpose is to:

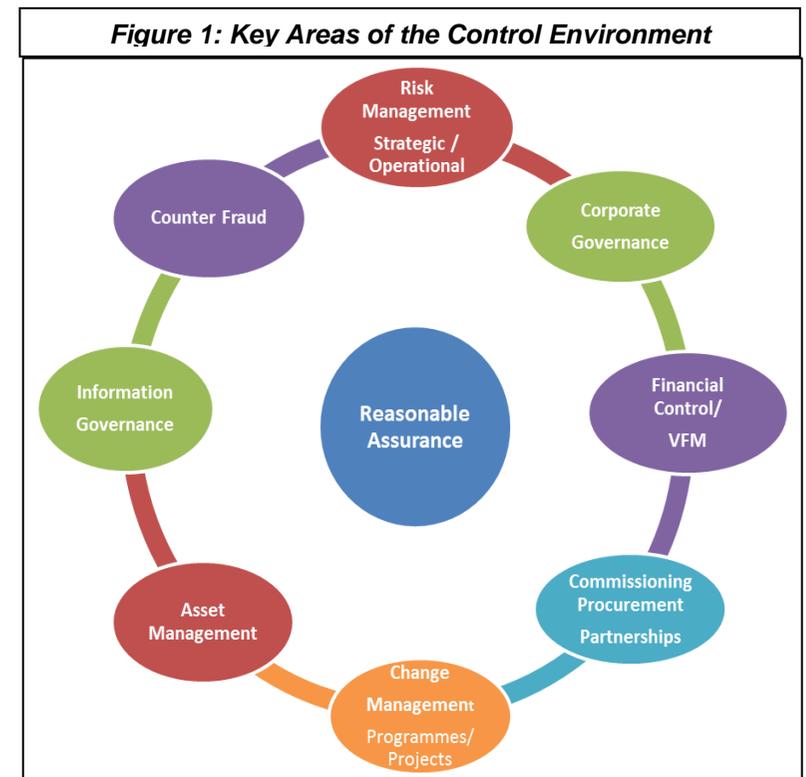
- Provide the Audit Committee with the draft planned Audit coverage for 2018/19
- Provide details of the methodology used to formulate the plan
- Draw attention to key areas within the proposed plan
- Provide details on the plan monitoring process, together with the follow-up and escalation process.

2. Formulation of the 2018/19 Audit Plan

2.1 The Internal Audit planning process reflects the requirements of the Public Sector Internal Audit Standards 2013 (PSIAS) and supporting Local Government Application Note produced by CIPFA/CIIA. It results in a risk based audit plan which should:

- Ensure a complete a programme of work is planned to enable provision of an evidence based opinion on the whole risk management, governance and control environment to the Head of Paid Service and Audit Committee in support of the Annual Governance Statement (AGS)
- Help the Council meet high standards of service delivery, conduct and governance by examining, evaluating and reporting on the risk management, governance and internal control environment
- Ensure the team are in a position to deliver other elements of work carried out on behalf of the Council which also support the year-end opinion.

2.2 The level of Internal Audit resources required to examine all Council activities far exceeds those available each year. It is therefore important to ensure work is planned so that the maximum benefit is achieved in respect of the above aims and that the team complete work which is risk based and adding value. In preparing the audit plan, work is designed to provide assurance in key areas within the Council's risk, governance and control environment as demonstrated by Figure 1.



- 2.3 In developing the plan, a desk top review has been undertaken of the potential risk areas for audit review including consideration of:
- The risks recorded in the Corporate Risk Register to determine the need to provide independent assurance regarding the management of those risks
 - The Council's and national fraud risk registers that are specific to local authority operations
 - The areas identified by the Council's Annual Governance Review process as potential governance issues
 - The results of audit work completed last year to determine where further work or 'follow up' reviews are required.
 - The draft budget proposals for the Council.
- 2.4 Additionally, consultation with officers and Members has taken place as follows to ensure a correct assessment of the risks to achievement of the Council's objectives and to ensure a clear understanding of how Internal Audit work fits with other sources of assurance:
- The Statutory and Policy Board
 - Directorate Leadership Teams
 - S.151 Officer
 - IT and Information Security Colleagues (in progress)
 - Finance Managers and Finance Business Partners
 - External Audit (in progress)
 - Cabinet Member (Finance, Governance and Performance)
- 2.5 Internal Audit also has responsibility, on behalf of the Council for facilitation of developments in the following areas and this work is also included in the work plan:
- Co-ordination of assurances around corporate governance and compilation of the Annual Governance Statement (AGS)
 - Ensuring robust counter fraud arrangements are in place across the Council.
- 2.6 Historically, the Internal Audit team has also delivered a facilitation and co-ordination role in respect of risk management. Professional standards direct, however, that, for independence reasons, the Internal Audit function should not be responsible for operational delivery of any area. This could potentially impair objectivity in forming opinions in this area and for this reason, it has been agreed that this role will no longer be undertaken by the Internal Audit team. Instead, a dedicated 'Risk Manager' role is being piloted. This will enable Internal Audit to objectively review the risk management arrangements in the Council for effectiveness and this review has been included in the Internal Audit plan for 2018/19.
- 2.7 The outcome of the above process is the draft plan at Appendix 1. The plan sets out a work programme that will enable formation of an opinion on the whole of the Council's risk management, internal control and governance arrangements based on sampling risk management strategies and control/governance systems.

3. Resources

- 3.1 In April 2017, the team was joined by an Interim Chief Internal Auditor to provide strategic support to enhance organisational ownership of governance, risk management and internal control. This has included reviewing the Internal Audit service and development and delivery of an improvement action plan.
- 3.2 Work remains in progress to review the team skills and structural requirements going forward to ensure it remains fit for purpose in the new and challenging risk environment that the Council now works in. The team has a significant number of vacancies going into 2018/19 as staff have left and not been replaced, pending the results of the review. Vacancies include 1 Group (senior) Auditor, 2.5 Auditors, 1 Audit Assistant and 0.5 Senior Investigator. To ensure flexibility in reviewing the structure going forward, the team has been and will continue to be supported by three interim short term agency professionals until the service review is completed. The team is also looking to recruit an apprentice to train alongside the professionals in the team.
- 3.3 The plan has been developed on the basis of the following resource levels but as the skills and structural review progresses, resource availability may change:
- Continued use of three interim agency professionals for the first 3 months of the year.
 - Resource availability (number of audit days) for the remainder of the year being at at least the same level as if the current structure was fully filled by October 2018.
 - Continuing the buy in of specialist IT audit to support developing knowledge in this area.
- 3.4 Table 1 below provides the Committee with a summary view of the proposed coverage for 2018/19, split by audit type and providing indicative days to be spent in each area. Details of the Audit reviews planned in each area provided in Appendix 1.

Table 1: Summary of proposed Audit Plan 2018/19:

Area of Work	Indicative Days
• Governance Systems	245
• Risk Management Effectiveness	205
• Financial Control Systems	285
• Certifications	150
• Schools Financial Governance	100
• Value for Money Exercises	42
• Commissioning and Procurement	120
• Asset Management	100
• Information Security*	145
• Projects and Programme Management	195
• Follow up provision	60
• General Contingency	100
• Total Risk, Governance, Assurance	1747
• Counter Fraud	
• Strategic Fraud Work	8
• Fraud Prevention	97
• Fraud Detection (incl tenancy fraud work)	743
• Responsive Fraud Investigation excl Tenancy (including DWP interface)	418
• Total Fraud	1266
Total Planned Coverage	3013
Total Available Productive Days	2846

* Advice of IT Audit experts from outside of the team is being sought to ensure this element of the plan accurately reflects the assurances required. Once this is received, the plan will be amended as necessary.

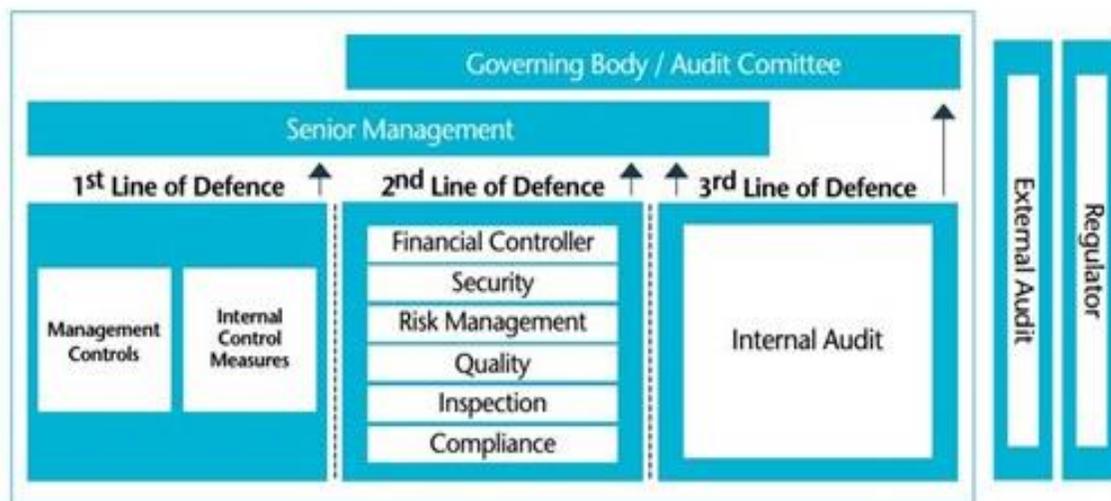
3.5 For each audit assignment planned, the resource required is estimated. A number of factors that occur either before or during the audit reviews can significantly alter (in either direction) the number of days required for individual reviews. The Plan includes an allocation of days for reactive/reactive work that will inevitably arise during the year. Table 1 demonstrates that the planned coverage is greater than the available resources.

- 3.6 The team is currently working to develop a service offer that will identify 'core' work required to deliver the audit opinion and other required elements of work (either statutorily required or locally required). Based on this, the 'core' budget for the team will be determined. In addition, a 'flexible' element of services will be offered which will be chargeable e.g. Grant Certification work. This will enable the team to raise revenue and ensure sufficient resources are in place to deliver the full plan. However, should this 'flexible' element of the plan not materialise for any reason, the team will need to reduce the level of responsive/reactive work it delivers in liaison with the s 151 Officer and the Audit Committee.
- 3.7 The Audit Plan needs to be flexible to ensure it can change as the Council's risk environment changes. Should new areas for potential review be identified during the year, these will be risk assessed against those assignments included in this plan and items will be added/ removed from the plan. In completing this assessment, consideration will be given to the priority of each remaining item in the plan against the priority for the new item being considered in consultation with the s151 Officer. Any amendments to the plan will be recorded and reported to management and the Audit Committee during the year.
- 3.8 In order to deliver the work programme as drafted, the Team needs to have the correct skills:
- **Audit Professionals.** The team comprises experienced and professionally qualified auditors/accountants.
 - **IT Audit.** In 2017/18, the decision was taken to enhance skills lost in the specialist IT Audit area by sourcing an external qualified and experience IT Auditor to work with the team to both deliver technical information security audits whilst also ensuring the skills are transferred to a newly qualified IT Auditor within the team. This arrangement is working well and this plan is based on availability of such a resource to continue this approach into 2018/19.
 - **Counter Fraud.** The Counter Fraud Team consists of a number of professionally qualified investigation staff to ensure an appropriate response is provided to fraud referrals of all types.
 - **Housing Advisor** - A Housing Advisor has also been seconded to the investigations team to work with two of our other qualified investigators on the key fraud risk are of tenancy fraud. Additionally, a further secondment of an investigations trained Housing Advisor has been extended into the first quarter to support this work during the time of the service review. This resource is also included in the above analysis.
- 3.9 Whilst Value for Money (VfM) work represents a small percentage of the overall Audit plan, it is integral to all of the work completed and is considered at each audit assignment as a matter of course. A small contingency is also included for specific and targeted VfM work that is not specifically covered elsewhere in the plan. Additionally proactive fraud and irregularity work often identifies significant VfM opportunities.
- 3.10 A flexible contingency allowance has been incorporated into the plan to allow for fraud responsive work, however should responsive work not materialise, this resource will be used to complete pro-active fraud work, further VfM exercises or other assurance work as required.

4. The Audit Plan – Key Features

- 4.1 The plan reflects the highest risk areas to the Council and is designed to ensure that assurance is targeted effectively to enable provision of an opinion on the whole governance, risk and control framework. Significantly, this year, resource is focussed in the following areas:
- **Corporate Governance** – As the Council strives to improve its governance arrangements in an environment of significant organisational change, the audit plan is weighted to reviewing particular governance aspects the framework. The revised Code of Corporate Governance and new Corporate Strategy provide the basis for improvement going forward and robust arrangements to ensure activity is properly planned, resourced and outcomes monitored across the Council will be required to deliver the Strategy. New ways of working will also require strong governance and these have been reflected in the plan. Additionally, time has been allowed to continue to support the Council in improving governance including reviewing governance arrangements for informing the annual governance statement at the end of the year.
 - **Risk Management and Assurance Mapping** – The plan reflects that the Internal Audit team has stepped back from an operational role in risk management. Instead, the team will allow new arrangements to embed before independently reviewing the overall improvement and effectiveness of risk management across the Council. Additionally, the plan provides for assurance mapping for the highest risks in the current corporate risk register. (Those items listed as CRR X in the plan). Assurance mapping aims to provide a detailed account of the different sources of assurances that are in place to manage risks and ensure those assurances are robust. It considers the extent to which three core sources of assurance are in place – commonly called the ‘three lines of defence’ further explained in Figure 2 below.

Figure 2 – Assurance – Three Lines of Defence



Once developed, it is designed to highlight ‘gaps’ in those assurances that require closing – either by strengthening management controls or by Internal Audit review.

If successful, assurance mapping will be extended to other risks and the governance arrangements set out in the Code of Corporate Governance:

- **Financial Governance** - The plan retains a significant focus on financial control to ensure that fundamental system controls are improved. As budget pressures continue across the Council, strong financial control is paramount to ensure the Council's financial resilience is secured. The plan includes significant resource allocation to the certification of grant claims to enable the Council to maximise income from this source. Additionally, the level of resource allocated to the schools assurance programme has been increased to ensure the s151 Officer is well placed to confirm that an appropriate assurance process is in place.
- **Commissioning and Procurement** – This area continues to be considered a risk. A significant element of the Council's operations and spends occur through commissioning and procurement and as such poor controls and non-compliance with best practice is likely to result in poor value for money for the Council. The need for a robust procurement framework is critical and reviews in this area support that goal. Strong governance when working in partnership with others is essential to ensure all parties understand commitments and expectations.
- **Information Security and IT Asset Management** – the Council is currently reviewing its IT infrastructure and how that needs development to ensure resilient digital delivery of services going forward. Management and organisational changes in this area together with new General Data Protection Regulations (GDPR) coming into force in 2018 sees information security rising as a priority in the audit plan. Historically, IT project implementations have not adequately addressed security issues at the design phase and as such of review of this area is planned to help address this.
- **Project Management** - the Plan incorporates an allocation of time to allow Internal Audit to support delivery of key projects/programmes. Development of an Embedded Assurance approach will continue which will see Internal Audit involved continually throughout projects, supporting the project managers by audit review of core governance aspects of project delivery throughout the life-cycle of the project.
- **Counter Fraud** – A significant proportion of the plan is devoted to ensuring the Council has robust approaches to the most significant fraud risks it faces. This year priorities reflected in the plan include:
 - **Tenancy Fraud** - Continuation of work to prevent and detect tenancy fraud – freeing up social housing for those with a real need.
 - **Direct Payments** - Focussing on Adult Social Care Direct Payment. A joint and significant review with the assurance team is planned so that a full study of systems and processes in place together with targeted testing and comparison of payments being made is completed to ensure this high spend area is well managed and controlled.
 - **Fraud Referral Investigation** – The team deal with many fraud referrals of all types and investigation of these can require detailed and time-consuming work to ensure they are properly investigated yielding necessary action results and is successful. In 2017/18, numbers of such referrals were at a level that has seen some investigative work delayed due to conflicting priorities of the team. In 2018/19, the team will work to resolve the backlog of previous fraud referrals and ensure any new referral is dealt with in a timely way. This may be at the expense of proactive work to identify potential new areas of fraud/savings for the Council.
 - **Data Warehousing and Continual Matching** – Enhanced use of data can provide an effective way to prevent or detect fraud. Time has therefore been allocated in the plan to research and begin to develop such an approach if funding is made available to do so.
 - **'Recoverable' to 'recovered'** – historically, the teams work has identified significant levels of 'recoverable' spend. Whilst recovery is not the role of the Internal Audit team, there is a need to work with finance and legal professionals going forward to ensure that recoveries are maximised and play their part in contributing to the financial resilience of the Council.

4.2 **Team Development and Improvement.** As well as delivering the Assurance and Counter Fraud programmes set out in the audit plan, a significant amount of time has been set aside to continue to develop and improve the services offered by the team during 2018/19 and going forward. Action plans resulting from the external Peer Review of the audit team in February 2018 and review of the team skills/resources, process and procedures by the Interim Chief Internal Auditor have been developed. The team aim to ensure that both management and the Audit Committee have confidence in the outcomes of the work completed. Early priorities for 2018/19 include:

- Ensuring the team is skilled and resourced to be fit for purpose – re-basing the team budget as detailed in paragraph 3.5 above and reviewing/stabilising the structure by recruitment to vacant posts.
- Reviewing the reporting formats used by the team and how audit opinions are expressed to ensure greater clarity. (The Audit Committee will receive a separate paper on this at a future meeting).
- Development and delivery of a training strategy for the team
- A review of audit processes and documentation to ensure a lean and efficient approach
- Increasing use of data analytics in both audit and counter fraud work.
- Growing the volume of business with a view to increasing income generation to enhance the resilience of the team.

5. Plan Monitoring

5.1 Performance against completion of the annual plan will be measured and reported in Internal Audit Activity reports at most Audit Committee meetings. The Audit Committee approved the Quality Assurance and Improvement Programme during 2017/18 which set out some key performance indicators for the team. The development of a business plan for the audit team has seen performance targets reviewed and the following will be reported to Audit Committee going forward:

- | | |
|---|--------------------------------|
| • Delivery of Internal Audit Plan – Complete to at least draft report stage | 90% |
| • Compliance with Public Sector Internal Audit Standards | 95% by Nov 2018 |
| • Delivery of Audit Opinion in time to inform the Annual Governance Statement (AGS) | May 2018 |
| • Deliver of Counter Fraud Awareness Training Plan | 90% |
| • Number of properties recovered by Tenancy Fraud Initiative | 30 |
| • Deliver of Counter fraud Awareness Training Plan | 90% |
| • Level of Recommendations Implemented (Fully or Partially) | 90% |
| • Client Satisfaction (post individual audit review) with a score of good or above | 85% |
| • Positive responses to annual management survey re benefits and value of audit service | 90% |
| • Review of the Skills Mix of the Section | Implementation by October 2018 |
| • Delivery of Actions from Development Plan and from Recommendations in Peer Review | 95% by November 2018 |
| • Delivery of AGS in line with statutory timeframe | May 2018 |

6. Follow Up and Escalation

- 6.1 Monitoring the implementation of audit recommendations remains key. Follow-up audits are included in the plan with any arising in-year follow-up to be an integral part of the audit coverage.
- 6.2 Details of Audit follow up work will be reported to the Committee as part of in year updates and annual report. Directorates/Services that fail to implement High/Medium recommendations within the agreed timescale will be brought to the attention of the Committee.
- 6.3 The Escalation Procedure includes escalating issues of concern through the management structure and ultimately to the Audit Committee. Members are expected to require relevant Executive Directors or Directors/Heads of Service to explain any failure to satisfactorily implement improvement recommendations or to confirm their acceptance of the risks associated with non- implementation of recommendations.

7. Context

- 7.1 The Audit Committee's Terms of Reference includes a strategic requirement to ensure that the Council's internal control and assurance framework is operating effectively. To enable them to do so, the Committee needs to ensure it seeks assurance that key areas that contribute to this framework are robust. The work of Internal Audit is a key component of the assurance provided to the Committee in fulfilling this role and the Audit Committee need to ensure the plan is focussed on the key assurances they require.
- 7.2 The Public Sector Internal Audit Standards 2013 guidance on the role of Audit Committees in relation to Internal Audit suggests that it should involve reviewing, assessing and approving the Internal Audit work plan for delivery of the Audit Service.
- 7.3 The standards also include the requirement that Internal Audit must be operationally independent. The Internal Audit Charter and Terms of Reference detail the arrangements in place regarding the team's operational independence including details of the reporting lines for the Head of Internal Audit.
- 7.4 There is one area of work that the team does deal with operationally on behalf of the Council; facilitating the preparation and review of the Annual Governance Statement. There are synergies between this and audit work and they are well aligned to the assurances that Internal Audit seek to provide. The External Auditor, however, independently reviews the Annual Governance Statement to ensure it has been prepared to properly reflect the governance activities that have operated at the Council in respect of 2017/18 and as such completion of this work is not felt to be an issue.

Draft Internal Audit Plan 2018/19

Assurance Area: Governance

Corporate or Cross Directorate:

No.	Audit Area	Potential Coverage
1	Annual Governance Statement and Review	Co-ordinate assurance statements and prepare for the Head of Paid Service and the Mayor a draft AGS for their consideration and approval.
2	New Directorate and Departments - Governance and Financial Control	To review financial control relating to specific Directorates / Departments of the Council.
3	Companies Governance - Oversight	To assess Council oversight of Companies Governance as part of the Annual Governance Statement process.
4	Senior Officer Decision Recording	Review compliance with and effectiveness of the publishing of Executive Officer Decisions as per Council Policy.
5	Strategic Business Planning	Review the effectiveness of the actions referred to the Code of Corporate Governance relating to the links between Corporate Strategy and Thematic Business Planning.
6	Service Planning and Performance Management	Review compliance and effectiveness of Service Planning and Council Performance Management Framework with emphasis on the delivery of planned outcomes.
7	Schemes of Delegation	Review compliance with Council's Schemes of Delegations (SoD) with specific reference to: <ul style="list-style-type: none"> Financial delegations being reflected in the Council's financial systems. Clarity, consistency and robustness of departmental SoD. Awareness, availability and promotion of SoD / Constitution. Monitoring compliance. Recording of decisions at all levels. <p>Specific areas of coverage will also be reviewed with the Monitoring Officer and Section 151 Officer.</p>
8	Decision Making Process - follow up	To review the implementation of recommendations identified in Internal Audit coverage for 2017/18.
9	Supporting Governance Improvement	Provision of Audit resource to promote improvements in governance across the Council, including attendance / presentations at various fora.
10	Whistleblowing Review (Annual)	Annual Review to assess: <ul style="list-style-type: none"> Adequacy and effectiveness of the Council's Whistleblowing arrangements. Awareness of the Whistleblowing Procedure amongst Council Staff. Confidence which City Council Staff have in the Whistleblowing arrangements.
11	Ethics, Values and Culture b/f	To review the adequacy and effectiveness of Council Ethics and Culture and specifically including review of: <ul style="list-style-type: none"> How values are reinforced and the tone is set across the Council. Process for articulating, promoting and communicating the Council's set of values to guide decision making and behaviour, including the level of training provided to staff. Process to monitor effectiveness of Ethics and Values Policies and monitor the extent to which the organisation lives up to its values.

Care and Safeguarding:

No.	Audit Area	Potential Coverage
12	School Support / Management in Trading with Schools	To review the effectiveness of School Support arrangements and follow up any relevant areas identified in 2017/18 Audit review of Schools Financial Governance.

Growth and Regeneration:

No.	Audit Area	Potential Coverage
13	G & R Board	Specific coverage will be dependent upon the completion of a separate audit.
14	New Commercial Investments – Embedded Assurance approach	Audit resource to review any major commercial investment following further discussion with management.

Communities:

No.	Audit Area	Potential Coverage
15	Homelessness – Policy Effectiveness	Specific coverage will be determined but could potentially include: <ul style="list-style-type: none">• Assess the implementation of the Council's Preventing Homelessness Strategy.• Whether Council Strategy complies with Homelessness legislation (e.g. Homelessness Reduction Act and /or 2002 Act).• Evaluation of how the Council complies with the Homelessness Code of Guidance for Local Authorities.• How the Council ensures value for money is being achieved in the use of Temporary and Bed and Breakfast accommodation and "Out of District" temporary accommodation.
16	Partnership Working – Tracking of Outcomes	To review the effectiveness of processes in place within the Council to monitor the delivery of planned outcomes in the delivery of Council objectives when working in partnership. Also to follow up any relevant areas identified in 2017/18 Audit review of Partnership Arrangements.

Assurance Area: Risk Management

Corporate or Cross Directorate:

No.	Audit Area	Potential Coverage
17	Audit of Risk Management	To review the Council's Risk Management arrangements to ensure compliance, aid with annual opinion, This will include the Risk Management Strategy, the review, updates to and reporting of Corporate and Directorate Risk Registers and the reporting of risk and mitigations to senior management and Committees. It will also include a review of how well risk consideration has embedded into the key areas of plan delivery and decision making.
18	Corporate Risk Register (CRR) 15 –Business Continuity Planning and Management	To review the effectiveness of mitigating actions to manage the risk identified in the Corporate Risk Register and assess assurances in place relating to the risk.
19	CRR 13 – Leadership and Management	To review the effectiveness of mitigating actions to manage the risk identified in the Corporate Risk Register and assess assurances in place relating to the risk.
20	CRR 12 – Loss of Resource / skills	To review the effectiveness of mitigating actions to manage the risk identified in the Corporate Risk Register and assess assurances in place relating to the risk.
21	CRR 7 -- Safety of Citizens	To review the effectiveness of mitigating actions to manage the risk identified in the Corporate Risk Register and assess assurances in place relating to the risk.

Care and Safeguarding:

No.	Audit Area	Potential Coverage
22	CRR 16 – Children's and Safeguarding	To review the effectiveness of mitigating actions to manage the risk identified in the Corporate Risk Register and assess assurances in place relating to the risk.
23	School Places Planning and Allocation Processes	Strategic review of approach to future school place provision and a review of operational processes to provide assurance that the allocation of school places is fair and in accordance with policy and regulation.
24	Adult Social Care – Care Homes	Assess controls processes to ensure that care requirements are regularly reviewed and the Council is notified promptly of changes to care provided.

Growth and Regeneration:

No.	Audit Area	Potential Coverage
25	CRR 19 – Commercial Investment and Capital Programme	To review the effectiveness of mitigating actions to manage the risk identified in the Corporate Risk Register and assess assurances in place relating to the risk.
26	CRR 9 - Flood Risk	To review the effectiveness of mitigating actions to manage the risk identified in the Corporate Risk Register and assess assurances in place relating to the risk.

Communities:

No.	Audit Area	Potential Coverage
27	CRR 10 – Harbour and Harbour Estate	To review the effectiveness of mitigating actions to manage the risk identified in the Corporate Risk Register and assess assurances in place relating to the risk.
28	CRR 17 – Asbestos Management	To review the effectiveness of mitigating actions to manage the risk identified in the Corporate Risk Register and assess assurances in place relating to the risk.
29	Taxi Licensing	Assess controls in place to ensure there are appropriate checks in place for operators, drivers and vehicles in line with Policy and to ensure the Council meets its statutory and regulatory obligations.
30	Universal Credit Implementation Arrangements	To review the Council's arrangements for the roll out of Universal Credit and how the Council is managing the risks involved.

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Assurance Area: Financial Controls

Corporate or Cross Directorate:

No.	Audit Area	Potential Coverage
31	Corporate Debt Model – Use and Effectiveness	To determine the extent to which a Corporate Debt Policy is in place and operating effectively and consistently across the Council.
32	Grant Application Process b/f	To review whether there is sufficient due diligence and consideration of “business as usual” financial arrangements when agreeing acceptance of grants.

Resources:

No.	Audit Area	Potential Coverage
33	Development Contributions	To review processes in place to record, monitor and allocate income and spending of monies received.
34	Apprentice Levy Account	To review how effective arrangements are for the management of the Apprenticeship levy and how intended objectives are being delivered.
35	Financial Systems Interfaces	To review controls relating to feeder systems into the general ledger.
36	Housing Benefit Overpayment	To review arrangements to prevent overpayments and the management and recovery of overpayments when they occur..
37	Grants and Certifications	To undertake certification work to enable there to be assurance over the use of grants.
38	Accounts Payable	To undertake a follow up audit on the 2017/18 review.
39	Accounts Receivable	To undertake a follow up audit on the 2017/18 review.
40	Clearing House Automated Payment System (CHAPS)	To undertake a follow up audit on the 2017/18 review.
41	Council Tax Income Collection	To review controls over billing, collection, arrears and monitoring.
42	Payroll System Controls	To undertake a follow up audit on the 2017/18 review.

Care and Safeguarding:

No.	Audit Area	Potential Coverage
43	Direct Control – Prepayment Cards	Review of new payment model in relation to Direct Payments in respect of probity and value for money.
44	Schools Programme – Financial Governance	To undertake a range of audits at sample maintained schools.

45	Budgetary Control	To review and assess budgetary controls and follow up on any relevant Internal Audit recommendations from 2017/18.
46	Governance over Directorate Savings Realisation	To provide a continual audit resource on a key area of planned savings for the Council.
47	Grants and Certifications	To undertake certification work to enable there to be assurance over the use of grants.
48	Care Act – Deferred Payments	To review the Council's arrangements for the set up and management of Deferred Payments under the Care Act.
49	Better Care Fund	To review the effectiveness of oversight and monitoring of the Better Care Fund and monitoring of S.75 Pool Agreement resources.
50	Care Services - Accuracy of Billing	A "deep dive" review on significant income area and to follow up any relevant recommendations from Internal Audit coverage in 2017/18.

Growth and Regeneration:

No.	Audit Area	Potential Coverage
51	Security Services – Use of Imprest	Specific Imprest Values and Expenditure to be reviewed
52	Car Parking Income	This review will focus on cash receipts for car parking, taking in to account collection, storage, banking and the insurance arrangements. It will also consider the controls in place around the increasing use of alternative payment methods, such as through mobile phones and other devices.
53	Grants and Certifications	To undertake certification work to enable there to be assurance over the use of grants.

Communities:

No.	Audit Area	Potential Coverage
54	Rent Arrears	To review the process for the management and monitoring of rent arrears.
55	Housing Revenue Account (HRA0	To review the oversight, budgetary control and compliance with requirements of the HRA.
56	Public Health -	Review effectiveness of specific aspects of Public Health expenditure.
57	Housing Voids	To undertake a follow up audit on the 2017/18 review.
58	Grants and Certifications	To undertake certification work to enable there to be assurance over the use of grants.

Assurance Area: Commissioning and Procurement

Corporate or Cross Directorate:

No.	Audit Area	Potential Coverage
59	Procurement and Contracting	Follow Ups to work undertaken for the 2017/18 Programme.
60	Review of Specific Contracts	Audit resource to review probity and compliance of specific contracts as identified during 2018/19.
61	Contract Waivers	To undertake a follow up audit on the 2017/18 review.

Resources:

No.	Audit Area	Potential Coverage
62	Access Rights to Information – Partnerships / Contracts (GDPR)	To review arrangements the Council has put in place to be in compliance with GDPR in respect of contracts and other partners.
63	Contract Monitoring	Continual Audit Testing.
64	Effectiveness of New Procurement Arrangements	To provide an assessment of the management of changed Procurement arrangements within the Council.

Care and Safeguarding:

No.	Audit Area	Potential Coverage
65	Procurement Plans – Social Care	To review arrangements for Adult Care Commissioning.
66	Contract Monitoring	Continual Audit Testing

Growth and Regeneration:

No.	Audit Area	Potential Coverage
67	Contract Monitoring	Continual Audit Testing

Communities:

No.	Audit Area	Potential Coverage
68	Housing Options – Payments to Voluntary Groups	To review the process for the awarding of payments and a probity review of expenditure incurred.
69	Contract Monitoring	Continual Audit Testing

Assurance Area: HR and Asset Management

Corporate or Cross Directorate:

No.	Audit Area	Potential Coverage
70	Individual Performance Management	To review compliance with corporate performance management requirements at an individual level.
71	CRR – Health and Safety of Staff	To review the effectiveness of mitigating actions to manage the risk identified in the Corporate Risk Register and assess assurances in place relating to the risk.

Resources:

No.	Audit Area	Potential Coverage
72	IT Asset Control and Usage	To assess the effectiveness of IT asset control within the Council, both hardware and software.

Growth and Regeneration:

No.	Audit Area	Potential Coverage
73	Investment Property	To undertake a follow up audit on the 2017/18 review.
74	Asset Management System	Embedded Assurance approach to the project delivery of the implementation of a new system.

Communities:

No.	Audit Area	Potential Coverage
75	Response Repairs b/f	To review that procedures and controls are in place to effectively manage and monitor the repairs and maintenance budget, that job costs are accurately recorded and accounted for.
76	Long Term Voids	To review the management of long-term voids from a value for money perspective.

Assurance Area: Projects and Programmes

Corporate or Cross Directorate:

No.	Audit Area	Potential Coverage
77	GDPR	Embedded Assurance To review the arrangements of the GDPR Project to transfer from Project to "Business As Usual" and / or undertake a full Embedded Assurance Review of arrangements in the first quarter of 2018/19
78	Operations Centre - Phase 2	To undertake Embedded Assurance Reviews to provide assurance over key risk areas including governance, benefits realisation, resources, risk management, cost control and time management.

Resources:

No.	Audit Area	Potential Coverage
79	Project Management	To review the effectiveness of the Project Management Office.
80	HR Payroll Project	To undertake an Embedded Assurance Review to provide the project with assurance over key risk areas including governance, benefits realisation, resources, risk management, cost control and time management.

Care and Safeguarding:

No.	Audit Area	Potential Coverage
81	Strengthening Families Transformation	To undertake Embedded Assurance Reviews to provide the Programme Board with ongoing assurance over key risk areas including governance, benefits realisation, resources, risk management, cost control and time management.
82	Transition from Care (Care Leavers)	Specific areas of assurance to be agreed with Care and Safeguarding Management.

Growth and Regeneration:

No.	Audit Area	Potential Coverage
83	Replicate (EU Grant Funded Project)	Review of significant EU funded project with specific focus on benefits realisation.
84	Project Management and Governance Overview	To review the governance of major projects within the Directorate.
85	Major Projects	Embedded Assurance of Major Projects to be confirmed with Directorate Management including projects with WECA.

Communities:

No.	Audit Area	Potential Coverage
86	New Housing System	Review of the implementation of the project as it moves to "Business as Usual" stage.

Assurance Area: VFM / Targeted Savings Identification

Corporate or Cross Directorate:

No.	Audit Area	Potential Coverage
	Contingency Provision	To provide for new areas of work identified in year that would benefit from a detailed value for money study.

Resources:

No.	Audit Area	Potential Coverage
87	Telecoms Follow Up	To undertake a follow up audit on the 2017/18 review.

Care and Safeguarding:

No.	Audit Area	Potential Coverage
88	Direct Payments	Full review of systems, processes and targeted testing of Direct Payments.

Assurance Area: Information Security and Technology

Corporate or Cross Directorate:

No.	Audit Area	Potential Coverage
89	IT and Business Resilience	To review the extent to which key services are resilient to IT outage should it occur.
90	Citizen Account	Review of policy, implementation plans and controls over identity management, authentication and accuracy of data.
91	E Procurement System Security	To review controls in place to ensure the effective security, integrity and availability of this key operational system.
92	Operations Centre – Resilience/Cloud	A review of cloud based technologies in use at the operations centre to ensure security and resilience of operations. ('On premise' security reviewed during 2017/18)
93	Operations Centre – Technical Delivery	A review of the IT arrangements in place at the Operations Centre to ensure it is able to deliver efficiently and effectively.

Resources:

No.	Audit Area	Potential Coverage
94	IT Service Management	A review of controls in place for delivery of ICT support across the Council, including a review of the support and service desk functions.
95	Delivery of Future State Assessment including Cloud Migration and Digital Developments.	Embedded assurance approach to ensure effective governance is in place for delivery of the recommended actions from the recent Future State Assessment review.
96	IT Governance and Dev Pops	An overview of IT governance arrangements including structures and IT strategies and alignment to Council strategy/policies. The review will also include looking at the approach to delivery of intended Dev Ops model and the effectiveness of business partnering in delivery of strategy.
97	IT Project Management Approach	To review arrangements in place for managing IT project implementation and ensuring security consideration is designed into IT project implementation plans.
98	Cyber Security and PSN Compliance	Annual review of cyber controls, including those detailed in the CRR. The review will also look at continued compliance with PSN requirements in support of continued PSN certification being achieved.
99	Development Methodologies and Practices	To review the software development processes and review controls in place to ensure development of resilient, secure and appropriate software development.
100	Privileged Access Management	To review the approach for controlling high level (administrator) access to the key systems the Council relies on to deliver its services ensuring it is appropriately restricted.

Care and Safeguarding:

No.	Audit Area	Potential Coverage
101	Data Sharing with Partners - GDPR	To review governance and security arrangements in place where personal and sensitive data is shared within and outside of the Council.

Communities:

No.	Audit Area	Potential Coverage
102	New Housing System – IT Audit Review	Critical friend approach – Review of architecture, security and interfacing arrangements to assist with technical implementation.

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