

Slough Borough Council

Internal Audit Plan

Third quarter 2011/2012

Summary

This plan is based on the indicative discussed with management at the start of the year. The plan has been agreed on a quarterly basis to allow for audit effort to be focused on up and coming risks in a period of significant change for the council. As the letting of the internal audit contract has not been concluded it has not been possible to have all of the normal meetings with management to finalise the plan before it has been submitted to the committee. All Directors and AD's have however been copied in and their feedback has been included as far as is possible.

Members are therefore asked to note the plan. A verbal update will be made at the committee meeting to appraise of any additional changes agreed with management at that time. It is expected that some audits are brought forward into Q3 and a number deferred into Q4.

Internal Audit Plan 2011/12 – 3rd quarter

Auditable area	Estimated Days	Quarter proposed	Type of Audit	Risk	Brief scope	Comments
	2011/12					
ANNUAL ASSURANCES						
None due to take place in 3 rd quarter	0					
Annual Assurances Q3	0					
CENTRAL FINANCIAL SYSTEMS						
Financial Planning & Budgetary Control	12	Q3	Key	High	*To assess effectiveness of key controls in this area	
Pensions	6	Q3	Key	High	*To assess effectiveness of key controls in this area	
General Ledger	6	Q3	Key	High	*To assess effectiveness of key controls in this area	
Cashiers	10	Q3	Key	High	*To assess effectiveness of key controls in this area	
Creditors	6	Q3	Key	High	*To assess effectiveness of key controls in this area	In view of the imminent changes and transfer of services meetings will held with management and external audit to provide the most effective coverage
Payroll	6	Q3	Key	High	*To assess effectiveness of key controls in this area	As above
Debtors	6	Q3	Key	High	*To assess effectiveness of key controls in this area	As above
NNDR/Business Rates	7	Q3	Key	High	*To assess effectiveness of key controls in this area	As above
Council Tax billing & collection	6	Q3	Key	High	*To assess effectiveness of key controls in this area	As above
Council Tax & Housing Benefits	10	Q3	Key	High	*To assess effectiveness of key controls in this area	As above
Central financial systems Total Q3	75					
CORPORATE ISSUES						
Virement within Directorate Budgets	5	Q3			An initial review of the virement process in Q1 within the council has shown that changes are needed in the processes and procedures it has therefore been agreed to carry out an additional review and provide a report at the end of Q3	
Quarterly Reconciliation Checks	5	Q3			To confirm that key systems reconciliations are undertaken on a timely basis, evidenced appropriately and that actions arising undertaken as	Management letter output
Corporate Issues Q3	10					

IT AUDITS						An audit needs assessment has been undertaken with the Head of IT
Auditable area	Estimated Days	Quarter proposed	Type of Audit	Risk	Brief scope	Comments
DR and Backup	10	Q3			System back up is closely aligned with ICT Disaster Recovery and the Infrastructure Project is tasked with delivering improved disaster recovery and implementation of a backup and archiving solution. ICT System Continuity is also ranked as a one of the top five risks in the ICT Risk Register included in the ICT Business Plan 2009-10. The Audit will look at the formation of the plan, escalation and emergency procedures and procedures for testing Disaster Recovery arrangements. Audit of the backup arrangements will include the procedures for system back up, back up testing, system resilience and back up storage.	Deferred from Q2
Telecommunications	10	Q3			In recent years technology has developed which allows telephone calls traditionally made through the phone system to be made over data lines; this technology is Voice over Internet Protocol (VOIP). This Audit will look at the Council's Telecoms VOIP infrastructure.	Deferred to Q4
Server Virtualisation & Data Centre	12	Q3			Server Virtualisation will provide an enhanced server and storage environment for the Councils technical infrastructure to help consolidate the existing server environment to reduce power and space and by rationalising the existing presentation of the Council systems providing a highly available and resilient environment. Our audit will look at the security aspects of the virtual environment and also provide assurance that the server virtualised environment is being adequately monitored for capacity issues and has developed the Councils server environment and provide assurance on the server operating environment for the Councils key applications. Where applicable this will use Computer Audit Assisted Techniques to evaluate the security settings.	Deferred from Q2
IT Audits total – Q3	32					
RESOURCES AND REGENERATION DIRECTORATE						
Leaseholder charges	10	Q3				
Responsive repairs	15	Q3				Bwd from Q4
Gas Safety	10	Q3				Bwd from Q4
Contract Management	20	Q3				Deferred Q4
Resources and regeneration Directorate totals – Q3	55					

CUSTOMER AND TRANSACTIONAL						
Auditable area	Estimated Days	Quarter proposed	Type of Audit	Risk	Brief scope	Comments
Hub Projects	20	Q3				Deferred to Q4
Customer and Transactional Totals – Q3	20					
EDUCATION & CHILDREN'S SERVICES						
Themed Audits	30	Q3			Scope to be confirmed but focussing on specific key risk area could cover purchasing arrangements, lease hold assets, petty cash, school meals etc	There are approximately 35 primary and nursery schools and 11 secondary schools.
Littledown School – Probity Visit	5	Q3			Following an initial visit in March/April 2011 to review transactions weaknesses were identified and a full probity audit is now required to confirm controls embedded.	
Safeguarding contract management	15	Q3			To provide assurance that contract and contract management arrangements are adequately controlled and operating effectively. This will include payments to providers	
Education & Children's Services totals Q3	50					
COMMUNITY AND WELL BEING						
Personalisation Budgets	15	Q3			New procedures and processes are being put in place and this review is to consider whether adequate controls are in place and risks adequately mitigated	Deferred into Q4 as transactional hub being developed
Commissioning Team	15	Q3			Following an Audit Commission review to look at tenders undertaken and review if the processes have been managed in line with council policy and procedure.	Deferred to Q4
Community and Well Being Totals Q3	30					
FOLLOW UPS						
None due to take place in 3 rd quarter						
Total Days	272					
Deferred to Q4	80					
Total Days after deferred audits	192					
Total Reports/Management Letters (Estimated)	24					

Note 1: Types of Audit Approach - The audit techniques to be used will be selected from the following, depending on which is considered to be the most effective for delivering the audit objectives:
Risk Based Audit (Risk)

A full audit which focuses on key risks in relation to system objectives. Audit work will be structured to direct audit resource in proportion to risk exposures.

Systems Based Audit (Systems)

A "full" audit in which every aspect and stage of the audited subject is fully considered. It includes review of both the design and operation of controls.

Undertaken from a systems perspective with a 'cradle to grave approach'

Key Controls Testing (Key)

Clearly focussed on a small number of material or key controls.

Systems Development Audit (SDA)

Ongoing review of developing plans and designs for new systems and processes aimed at identifying potential weaknesses in control if the plans and designs go ahead as they are.

Verification Audit (Verification)

Where there is pre-existing confidence that controls are well designed, but compliance is a material issue, audits which test only for compliance with controls can be appropriate. Audit undertaken to verify key outcomes.