



Audit and Investigations

Internal Audit Plan 2003 / 2004

THE 2003/04 INTERNAL AUDIT PLAN

1 Introduction

- 1.1 The CIPFA (Chartered Institute of Public Finance and Accountancy) code of practice on internal audit requires the proper planning of audit work. This requires strategic, periodic and operational work plans.
- 1.2 This document sets out the proposed audit plan for 2003 / 04. This is a periodic annual plan that is based on a 3-year strategic plan. The 2003/04 Internal Audit Plan has been prepared on the basis of our assessment of risks and in consultation with Service Directors of all of the service areas across the Authority.
- 1.3 The three-year strategic plan was produced during the 2001/02 financial year and is updated on an ongoing basis to reflect development of new systems and changes across the Authority as they occur. The Strategic Plan has been prepared on the basis of Audit Needs Assessment in which all the auditable systems across the Authority have been identified.
- 1.4 The audit coverage for the current financial year has been prepared to reflect the available resources and the workload has been prioritised to focus on the areas of greatest risk. The Internal Audit Team has continued to experience difficulties in the recruitment of experienced permanent staff. The shortfall is currently being sourced through the use of agency staff. The Head of Audit & Investigations is currently in the process of seeking alternatives means of addressing the recruitment of permanent staff. It should also be noted that the shortage of experienced internal auditors in local government is problem faced by other local authorities in London.
- 1.5 The Audit & Investigations Team monitors the progress of both the annual and strategic plans and will be reporting to the Performance and Finance Select Committee from July 2003.
- 1.6 The Annual Plan is driven by consideration of the Authority's strategic, financial, operational, regulatory and reputational risks at both the corporate and service area level.
- 1.7 The provision of the audit function for the Authority is currently undertaken by three providers who work under a joint programme of work as follows:
 - The **Audit & Investigations Team**, which undertakes audits of the authority's service units and schools and is responsible for probity and anti-fraud functions.
 - **Deloitte Touche** – who are contracted to review the Authority's main IT systems.
 - **PriceWaterhouseCoopers** who are the external auditors.

- 1.8 The annual audit plan has been formulated in consultation with PriceWaterhouseCoopers and Deloitte Touche in order to ensure that audit resources are optimised, audit coverage is maximised, and to avoid duplication and to improve the effectiveness of audit. Please refer to the Joint Audit Statement (Appendix 1) for additional information on the joint working arrangements between internal and external audit.
- 1.9 The planned work for Internal Audit is split between systems, financial and schools audits. Given the current staffing resources within the Audit and Investigations Team, there are a total of 1362 available audit days for internal audit work. This includes audit work to be undertaken by Deloitte Touche on main IT systems.
- 1.10 Internal Audit work is to be split across three major areas as summarised in Table 1 below. Please see Appendix A for details of Systems Audits to be undertaken in 2003/04.

| Area | No of Planned Audit Days |
|---|--------------------------|
| Systems Reviews | 712 |
| Financial Reviews of Service Units | 400 |
| Review of Internal Controls and Financial audits in Schools | 250 |
| Total | 1362 |

Table 1: Allocation of Audit days by Audit Type.

- 1.11 A schedule of all planned systems and financial audit work will be sent to each Service Area Director in due course for information and circulation.

Simon Lane
Head of Audit and Investigations

Appendix A
Systems Audits

| | Service Area | System to be Reviewed |
|----|-----------------------------|--|
| 1 | Corporate | <p>Review of Best Value Performance Indicators 2003/04</p> <p>Recruitment & Selection – compliance with Human Resources standards</p> <p>Review of Property Disposal Arrangements</p> <p>Review of selected Single Regeneration Budget Schemes</p> |
| 2. | Education, Arts & Libraries | <p>Health & Safety – Review of risk assessment in schools</p> <p>Special Education Needs – Statementing Libraries</p> <p>Fair Funding</p> <p>Review of Arrangements for Monitoring the Capital Programme in Education</p> <p>Review of Out of School Service</p> <p>Follow-Up Review – Grants to Voluntary Organisations</p> |
| 3. | Environment | <p>Review of Project management and monitoring arrangements re the Capital Programme in Environment Services (Transportation Service)</p> <p>Review of Management arrangements - Cemeteries & Mortuaries</p> <p>Review of Land Charges</p> <p>Review of Parking Enforcement</p> <p>Follow-Up Reviews – Controlled Parking, On Street Parking and Income Collection in Sports Centres</p> |
| 4. | Housing | <p>Review of Management and Monitoring for new major advice contract</p> <p>Review of management arrangements for Supporting People</p> <p>Review of Management Arrangements – Housing Renovation Grants</p> <p>Review of new schemes for the reduction of numbers in bed and breakfast accomodation</p> |
| 5. | Social Services | <p>Review of Management Arrangements – Joint Working/Funding Arrangements with Primary Health Trust</p> <p>Follow Up Review – Budget Monitoring & Control (PriceWaterhouseCoopers audit)</p> <p>Equipment for Disabled</p> |

| | Service Area | System to be Reviewed |
|----|-----------------------------|--|
| | | Payments to Foster Parents Management Review – Supporting People Management Review – Client Funds Review of Arrangements for Children Leaving Care |
| 6. | Main Financial & IT Systems | Review of Payroll Council Tax National Non-Domestic Rates (NNDR) Project Monitoring – E- Government Projects Disaster Recovery E mail Security & Lotus Applications Review Review of e payments Review of Spectrum (applications review) Review of Laptops & PC Controls Review of Capita – new contract – IT issues Review of Customer Relations Management System Follow Up Reviews – Housing Benefits & Cashiers |
| 7 | Brent Housing Partnership | Various Audits – A separate plan has been agreed with the Brent Housing Partnership board |