

APPENDIX C

AUDIT PLAN 2017 / 2018

Separately identified are ongoing assurance works which are routinely undertaken each year e.g. Key Financial Systems; works associated with annual assurance requirements; risk management and follow ups. The table below provides an overview of the breakdown of audit time for 2017 / 2018 and a brief comparison with the previous year. A more detailed breakdown of planned audit work is given on the pages that follow.

| AUDIT AREA | 2017 / 2018 | | 2016 / 2017 |
|--------------------------------------|--------------------|----------------|--------------------|
| | Days | % | % |
| Corporate Plan: Objectives | 350 | 50.7 | 44.0 |
| Core Systems Assurance Work | 40 | 5.8 | 7.5 |
| Annual Governance and Assurance Work | 60 | 8.7 | 9.0 |
| Other Resource Provisions | 240 | 34.8 | 39.0 |
| TOTAL | 690 | 100.0 % | 100.0 % |

| AUDIT ACTIVITY | AUDIT TYPE | SCOPE |
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| OBJECTIVE 1...DELIVERING SUSTAINABLE PROSPERITY FOR CAMBRIDGE AND FAIR SHARES FOR ALL |
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| Community Infrastructure Levy | Project | Ongoing project. Provision of audit input as a critical friend. |
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| OBJECTIVE 2...TACKLING THE CITY'S HOUSING CRISIS AND DELIVERING OUR PLANNING OBJECTIVES |
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| Disabled Facilities Grant | Grant approval | Review of a sample of payments made in respect of disabled facilities Approval of DFG |
| Service Charges (Tenants) | Risk based | Evaluation of the collection rates |
| Ditchburn Place | Contract | Review of the deliverables and contract monitoring arrangements |
| Housing Delivery | Risk based | HDA governance arrangements |

| AUDIT ACTIVITY | AUDIT TYPE | SCOPE |
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| OBJECTIVE 3...MAKING CAMBRIDGE SAFER AND MORE INCLUSIVE | | |
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| Use of Social Media | Assessment of best practice | Evaluation of effectiveness of the current arrangements and learning best practice from other councils on how to make the most of social media. This will incorporate a review of the impact / proportionality of the current in-house social media policy. |
| Safeguarding | Risk based | A high risk area on the Strategic Risk register. Regular reviews are undertaken each year which focuses on a different department / activity each time. The current audit will consider how third party providers / contracts comply with safeguarding. |
| Street Traders / Market Licences | Risk based | Review of arrangements for awarding and monitoring licences and collection of income |
| Food Safety Standards | Risk based | Assessment in relation to food inspections |
| Clay Farm | Project | Ongoing contract review of this key project. |

| OBJECTIVE 4...INVESTING IN IMPROVING TRANSPORT | | |
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| Car Park Permits | Compliance | Review arrangements for the use of permits |
| Car Parks: Projects | Project | Projects in this area will be provided with audit support as they progress. These, include, but are not limited to: <ul style="list-style-type: none"> - Park Street CP - Equipment |
| Garage Commercialisation | Project | Post implementation review |

| AUDIT ACTIVITY | AUDIT TYPE | SCOPE |
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| OBJECTIVE 5...PROTECTING OUR CITY'S UNIQUE QUALITY OF LIFE | | |
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| Flood Assessment | Risk based | Risk assessment that current arrangements are robust |
| Leisure | Contract | Review of the leisure management contract |
| Sports Projects | Project | Review of the delivery and management of sports projects |

| OBJECTIVE 6...PROTECTING ESSENTIAL SERVICES AND TRANSFORMING COUNCIL DELIVERY | | |
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| Electoral Register | Risk Based | Compilation and management of the process to complete the register. |
| Key Performance Indicators / Balanced Scorecard | Risk Based | A review of how performance data is captured and an evaluation of the accuracy of the data provided. |
| Office Accommodation Strategy | Project | Project review of the deliverables (to be scheduled for Quarter 4 2017/2018) |
| TUPE | Compliance | A key requirement as the Council seeks different models and ways of working. A compliance review will be undertaken to address this. |
| Contract Management: Temporary Agency Workers | Contract | Review of the arrangements for monitoring of the Temporary Agency Worker contract – which equates to £1.8m per annum. |
| Commercial Property | Risk based | Verification of income streams and the collection of service charges |
| Portfolio Investments | Project | Roll forward from 2016/2017 |
| Financial Management System | Project | Ongoing provision of support and challenge to this critical project. |

| AUDIT ACTIVITY | AUDIT TYPE | SCOPE |
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| OBJECTIVE 6...continued | | |
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| ICT | Risk based | Assessment of IT Strategy and IT policies |
| Transformation Projects | Project | Gateway reviews and post implementation for a series of projects delivering savings |
| Shared Services | Risk based | Evaluation of delivery of shared services |
| Cash Handling | Risk based | Review of the arrangements for the receiving of cash transactions at the Cash Office and Arbury |
| Job Recording Procedures | Compliance | Review of operations |
| Building Control Fees | Risk based | Review of the arrangements for the billing and collection of fees |

| OBJECTIVE 7...TACKLING CLIMATE CHANGE, AND MAKING CAMBRIDGE CLEANER AND GREENER | | |
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| Gas Maintenance | Contract | Contract management review |

| AUDIT ACTIVITY | AUDIT TYPE | SCOPE |
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| CORE SYSTEMS ASSURANCE WORK | | |
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| Core systems are those that are fundamental to providing control assurance for internal financial control and allow the s.151 officer to make their statement included in the authority's Annual Statement of Accounts. The External Auditor also places reliance on the work undertaken by Internal Audit on key systems. Systems are reviewed on a rolling cycle to ensure that all are covered. | | |
| Insurance | Assurance | Key controls audit as part of cyclical review of core systems |
| Treasury Management | Assurance | Key controls audit as part of cyclical review of core systems |
| VAT | Assurance | Key controls audit as part of cyclical review of core systems |
| Accounts Receivable | Assurance | Key controls audit as part of cyclical review of core systems |
| Housing Benefits | Assurance | System Parameter Testing (Detailed schedules are provided by External Audit) |
| Council Tax | Assurance | Key controls audit as part of cyclical review of core systems |

Audits not planned for 2017 / 2018:

- National Non-Domestic Rates; Main Accounting (which will be covered as part of the implementation of FMS); Accounts Payable; Payroll; Housing Rents; BACS; Fixed Assets; Budgetary Control.

| AUDIT ACTIVITY | AUDIT TYPE | SCOPE |
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ANNUAL GOVERNANCE AND ASSURANCE WORK:
Each year the Council is obliged to issue a statement on the effectiveness of its governance arrangements. This section includes audit work that relates to the production of the Annual Governance Statement

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| Organised Crime Procurement Review | Compliance | <p>At the beginning of December 2016, the Home Office issued a report covering “Organised Crime Procurement Pilots”. This exercise looked at various aspects of Local Government activities which could be vulnerable to be targeted by organised crime. It recommends that Councils should look to undertake an audit in relation to Serious Organised Crime. Various pilots have taken place across the country (as well as in Scotland) and details have been circulated which suggest that a number of areas could be susceptible / at risk. Examples include where there is a high level of cash inputs into the service; contracts are awarded or there is significant interaction with the public and / or companies.</p> <p>A number of audit areas will be targeted and an overarching report produced. The areas include:</p> <p>Declarations (Members / Officers).</p> <ul style="list-style-type: none"> - Monitoring / authorising secondary employment; - Gifts and hospitality registers - Declarations of interests <p>Recruitment and Selection</p> <ul style="list-style-type: none"> - Disclosure and Barring Services checks <p>Bribery and Corruption</p> <ul style="list-style-type: none"> - Anti-Money Laundering <p>Procurement and Contract Arrangements</p> <ul style="list-style-type: none"> - A selection of contracts will be selected from the Contracts Register |
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| AUDIT ACTIVITY | AUDIT TYPE | SCOPE |
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| ANNUAL GOVERNANCE AND ASSURANCE WORK: continued | | |
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| Annual Audit Opinion | N/A | Head of Internal Audit opinion on the state of governance and the internal control framework in place within Cambridge City Council. |
| Internal Audit Effectiveness | N/A | Review of the Internal Audit service against the Public Sector Internal Audit Standards. |
| Prevention of Fraud and Corruption | N/A | Continued development and awareness of risks across the Council. There is a requirement to submit an annual summary report to Civic Affairs Committee on the status and levels of fraud, whistleblowing and corruption within the Council. In addition, an annual survey is completed in relation to this for referral to our External Auditors in order for them to plan their works and understand the dynamics of the Council. |
| Annual Governance Statement | N/A | Internal Audit assist in the collation of this information together with Corporate Strategy, Legal Services and Finance and produce the draft Annual Governance Statement and the associated Action Plan to address any significant shortcomings. |

NB: INTERNAL AUDIT WORKS IN RELATION TO THE NATIONAL FRAUD INITIATIVE HAS BEEN REMOVED FROM THE AUDIT PLANS AS PER THE INTERNAL AUDIT BUSINESS CASE.

| AUDIT ACTIVITY | AUDIT TYPE | SCOPE |
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| OTHER RESOURCE PROVISIONS | | |
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| Throughout the year, audit activities will include reviews that have not been specified within the Audit Plan, including management requests as a result of changing risks; following up agreed audit actions and completion of audit works from 2016 / 2017 Audit Plan. | | |
| Carry Forward Activities | Various | A number of audits roll forward either as a result of starting late in 2016 / 2017 or being rolled forward due to other activities taking precedence e.g. special investigations. |
| Follow Up Provision | Follow Up | A number of audits completed in previous years where there have been concerns identified are followed up to ensure that agreed actions have been implemented. |
| Contingency: Advice / Requested Works | Advice | <p>Internal Audit act as a focal point to assist officers across the Council in providing advice / support in relation to projects; contracts; procurement or general controls.</p> <p>In addition, as the plan is based only on a snapshot of the Council at any moment in time. Risks and priorities change all the time. An element of time has been set aside to allow for sudden changes to the Plan.</p> |
| Contingency: Fraud / Irregularity | - | <p>No matter how robust services and processes are, there is always the potential for anomalies to occur. An allocation (arbitrary) of time has been included in the Plan to accommodate :</p> <ul style="list-style-type: none"> - Pro-active counter fraud work; and - Reactive work where suspected irregularities have been detected or reported via the whistleblowing route. |
| Risk Management | - | Coordination, reviewing and monitoring of the Councils risk management framework and reporting to Civic Affairs Committee and Strategic Leadership Team on the implementation of agreed actions identified. |