

Internal Audit Annual Assurance Plan 2016-17

**(Revised for the period July 2016-
March 2017)**

**Arrangements for delivering an
effective internal audit service**

July 2016

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Background to the Service

The Internal Audit Service is an independent and objective internal team that provides assurance and advice to all levels of management and elected members on the quality of operations within the Council. We particularly focus on governance, risk management, performance, efficiency and operational and financial control. We also provide internal audit services to North Wales Police (NWP) but this Strategy refers primarily to the service provided to Denbighshire County Council.

The service works to the Public Sector Internal Audit Standards (PSIAS) that include a Code of Ethics that the team must abide by. The objectives of the PSIAS are to:

- define the nature of internal auditing within the UK public sector;
- set basic principles for carrying out internal auditing in the UK public sector;
- establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations; and
- establish the basis for the evaluation of internal audit performance and to drive improvement planning.

PSIAS definition of internal auditing...

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Our main objectives are to...

...provide independent assurance and advice to management and elected members on risk management, governance and internal control;

...develop and promote our role to make a significant contribution to the Council's priority to modernise and deliver efficiencies and improve services for our customers; and

...add value in all areas of our work, providing excellent service to our customers.

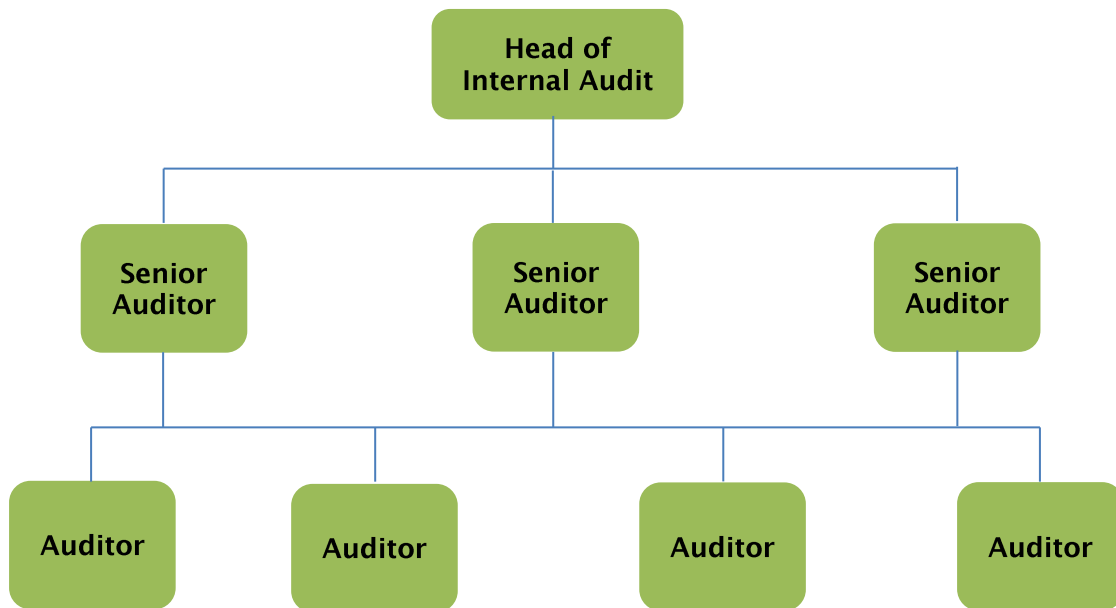
Our team is very proactive and innovative, constantly aiming to improve and we have restructured over the last year to make the service more streamlined and efficient as part of the Council's efficiencies programme. Over recent years, we have developed a very successful customer-focused approach to audit planning, project scoping and service delivery, involving elected members, senior management and operational staff that has made us a valued service within the Council, contributing to service improvement as well as providing assurance.

Our work provides a risk-based approach that allows the Head of Internal Audit (HIA) to form and evidence his opinion on the control environment to support the Council's annual review of its governance arrangements. Our Internal Audit Annual Assurance Plan therefore links closely to the Council's Governance Assurance Framework, taking account of other assurances that the Council may receive, internal or external, to prevent duplication and co-ordinate regulatory work. It also takes account of discussions with senior management to identify projects that will add value to them.

The HIA may also provide assurance to other organisations that work in partnership with the Council if the internal audit service has carried out work in that area of service, particularly if the other organisation is the lead partner.

Service Structure

The service restructure means that we have reduced the tiers within the service from five down to two, as it was considered top-heavy and hierarchical. The new structure has significantly reduced costs but has improved the team's efficient and communication channels.



Revised Internal Audit Assurance Plan July 2016-March 2017

Area of Work	Plan Days	-----Assurance-----					Comments
		S151	AGS	IA Annual	CET/SLT		
Corporate Priorities Assurance							
Developing the local economy	20		■	■	■	Review of performance and delivery of objectives and Economic and Community Ambition Programme	
Improving performance in education & the quality of our school buildings	15		■	■	■	Review of performance and delivery of objectives and Modernising Education Programme	
Improving our roads	15		■	■	■	Review of performance and delivery of improvements to highways	
Vulnerable people are protected and are able to live as independently as possible	10		■	■	■	Continuing review of corporate safeguarding	
Ensuring access to good quality housing	10		■	■	■	Review Housing Strategy Action Plan delivery	
Modernising the Council to deliver efficiencies and improve services for our customers	20		■	■	■	Review delivery of Modernisation Programme - including review of Office Accommodation Project	
Corporate Risks Assurance							
Corporate risk management	9	■	■	■	■	Review various high risks from the Corporate Risk Register not covered during other Internal Audit Projects	
Corporate Programmes and Projects Assurance							
Review of corporate use of Verto	15		■	■	■	Review efficiency and consistency of use of corporate system for performance, risk and project management	
Well-being of Future Generations Act Programme	5		■	■	■	Review of the Council's overall implementation plus contingency for work required within specific workstreams	
Ruthin Area Review - New Area School for Ysgol Carreg Emlyn	5	■	■	■	■	Review management and delivery of project	

Area of Work	Plan Days	-----Assurance-----				Comments
		S151	AGS	IA Annual	CET/SLT	
Ruthin Area Review - Ruthin Town School Modernisation	5	■	■	■	■	Review management and delivery of project
Alternative Service Provider Assurance						
Revenues services	44	■	■	■	■	Review of monitoring arrangements for Revenues and Benefits service and specific reviews of service areas as per the contract
GwE	15		■	■	■	Annual review of value for money of partnership arrangements
Citizen's Advice Bureau	10	■	■	■	■	Review of governance and monitoring arrangements of the service
Financial Assurance						
Financial services	70	■	■	■	■	Review of key financial services
AONB Grant	1	■		■		Annual certification of grant for the joint arrangements
Housing rents	20	■	■	■	■	Review of key financial areas
Welsh Government Assurance						
Welsh Government education grant certification	9	■		■		Contingency for annual grants audits
Welsh Government 6th Form Funding/PLASC	30			■		Annual assurance on PLASC returns for Welsh Government
Corporate Anti-fraud and Corruption Assurance						
Assessment of DCC's compliance with CIPFA's Code of Practice on Managing the Risk of Fraud & Corruption	12	■	■	■	■	Overview of the Council's corporate arrangements, policies, procedures etc.
Catering services	5	■	■	■	■	Continuation of review of financial reconciliation of income from school meals

Area of Work	Plan Days	-----Assurance-----				Comments
		S151	AGS	IA Annual	CET/SLT	
National Fraud Initiative	30	■	■	■	■	Annual work on data-matching between services and with other public sector organisations
Housing tenancies	20	■	■	■	■	Review of housing tenancies, including data matching to other Council systems to identify potential sub-letting
Corporate and Service Area Projects						
IT performance, capacity management & infrastructure	20		■	■	■	
Cash receipting processes	30	■		■	■	Review of efficiency of processes for handling, recording, allocating income etc.
School Fund management	5	■		■	■	Continued review and improvement of management of School Funds
Recoupment, Out of County Placement & Additional Learning Needs	40			■	■	Full review of services
Housing allocations and voids	15			■	■	Request for review of efficiency of dealing with void properties and re-letting
Rhyl Harbour	20			■	■	Review of key risks relating to harbour and full operational review of service
Procurement	20	■	■	■	■	Implementation of new procurement strategy and contract procedure rule compliance
Passenger transport	20			■	■	Review management and monitoring of public transport contracts
Registrars	15			■	■	Full service review
Early departures	15	■		■	■	Follow up areas as suggested in WAO national study
Building control	10			■	■	Request for review of service due to changes in systems and capacity

Area of Work	Plan Days	-----Assurance-----				Comments
		S151	AGS	IA Annual	CET/SLT	
Other Annual Areas						
Follow up reviews	50	■	■	■	■	Contingency for following up actions from previous audit reports
DCC Assurance Total	655					
Externally Funded Work						
North Wales Police contract	200					Final year of three-year contract
School Fund audits	25					Contingency for requests from schools
Externally Funded Total	225					
Corporate Support						
Corporate Governance Framework and Annual Governance Statement	15					
Consultancy and corporate areas	40					Contingency for committee meetings, working groups etc.
Corporate Support Total	55					
Internal Audit Support						
IA team meetings, 1:1s, staff appraisals etc.	35					
IA management	50					
IA training and development	35					
Overheads Total	120					
Total Days	1055					

Service Standards

To measure how well we deliver our essential audit work and a customer-focused service, we use following performance measures:

Customer Service Standard	Target
We will contact you at least 2 weeks in advance to arrange a suitable date for our visit.	100%
We will discuss, agree & send you the Internal Audit Project Scoping Document before we commence work.	100%
At the conclusion of our work, we will hold a closing meeting with all relevant people to discuss the outcome of our work, and then send you a draft report within 10 working days of that meeting.	90%
Once we have agreed the draft report and any actions plan with you, we will send you the final audit report within 5 working days.	90%