

INTERNAL AUDIT- WORK PROGRAMME 2016-17

| CORPORATE PROJECTS | | | | | |
|--------------------|--|---|--------------------------------|---|------|
| Service | Area | Risk | Risk Map | Activity | Days |
| Cross Cutting | Medium Term Financial Strategy/Plan | Inability to meet the savings required and increased risk of error, fraud and poor service delivery | CR1, CR4, RCP8, SS1 | The review the council's control and governance arrangements around the need to generate savings. This will include a review of financial models and budget monitoring to ensure that plans to achieve the savings are robust and achievable. There will also be a consultative role where advice is provided to ensure there are not gaps in key controls where services are reshaped. | 12 |
| Cross Cutting | Contract / Project Management | The Council may fail to effectively deliver the key goals without sound project management | ASC11, CG1, CR11, CR4, CR5,SS1 | To ensure projects are being managed effectively in accordance with Council principles and methodology and that sound governance and risk management arrangements are in place. | 20 |
| Cross Cutting | Information security - Access to records | Breach of data protection resulting in significant penalties. Significant reputational impact | CG2, | A review of the Councils Compliance with the key principles of the Data Protection Act and the Freedom of Information Act. This reviewed with determine whether the Council's responses are proportionate. | 15 |
| Cross Cutting | Collaborations and partnerships | | ASC10, ASC 11, CR3 | To ensure that there are effective governance arrangements around collaboration agenda and that anticipated improvements and saving are materialising | 10 |
| Cross Cutting | Business Cont & Disaster Recovery | The Council will fail to support its citizens in the event of an emergency | CR6, ICS1 | Test the approach in place when service delivery is critically threatened | 10 |
| Cross Cutting | Safeguarding | Reputational damage from serious safeguarding failure | | To assess the operational controls in place relating to DBS to ensure they are efficient and effective and in accordance policies and procedures. The review will provide an overall compliance health check. | 12 |

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| Cross Cutting | Good Governance | Reputational damage to the Council if actions and activities are not fair and transparent. | CG1, CR3 | To provide assurance that key corporate governance processes are in place within the Council. This will include a review of the code of conduct for Officers and Members together with contributing to the production of the Annual Governance statement. | 10 |
| Cross Cutting | Commissioning Reviews | Failure to meet required objectives and targets. Services not being deliver to meet users needs | ASC10,AS C11, CR11,CR5 | To provide evidence based reviews on commissioning projects to learn identify successful and unsuccessful aspect of each project that can be used to inform future projects | 25 |
| Cross Cutting | Supporting Project Groups | Failure of project to have effective challenge and governance arrangements | CR11, CR4 | The Internal Audit Section provide advice to support emerging project teams | 4 |
| Cross Cutting | Job Evaluation | Grading decisions may not be supported by a sound and transparent system if challenged | | To review the job evaluation process to ensure all decisions are evidentially supported | 12 |
| Cross Cutting | Commercial Services (Procurement) | The Council are not complying with it regulation and cannot therefore demonstrate value for money | ASC10, CR5, ASC11 | To examine the process of identifying and negotiating corporate contracts and to examine whether services are | 20 |
| Cross Cutting | Voluntary Severance | Ineffective business cases lead to a failure to reduce cost | | To review a sample of business cases to see if they adequate support a severance decision. A review of the structures and cost to determine that those cost savings are visible | 12 |
| | | | | Sub-Total | 162 |

| BUSINESS CRITICAL / CORE SYSTEMS | | | | | |
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| Service | Area | Risk | Risk Map | Activity | Days |
| Professional | Core Financial | Loss of key members of Staff, External audit reliance | CR1 , CR5 | Full system and compliance audits to provide assurance over the effectiveness of the Councils core financial systems that are material to the production of the Councils Accounts | 100 |
| Business | Core Revenue & Business Services | Loss of key members of Staff, External audit reliance, potential fraud and error | CR2, CR5 | Full system and compliance audits to provide assurance over the effectiveness of the Councils core financial systems that are material to the production of the Councils Accounts | 45 |

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| Business | Core Employment Services Systems | Loss of key members of Staff, External audit reliance | CG2, CR5 | To review the operation, efficiency and effectiveness of the Councils payroll system using a systems based approach that will consider key risk exposure and controls. | 50 |
| | | | | Subtotal | 195 |

| CONSULTANCY / PROJECT SUPPORT | | | | | |
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| Service | Area | Risk | Risk Map | Activity | Days |
| Professional | Integrated Financial System | Ineffective project outcomes | CR1, | Project and Consultancy to aid in the development of the new financial management system | 3 |
| Schools | Cashless catering - Project Group | Failure to meet project goals | CR4, SS1 | Supporting the project team and providing expertise on control matters | 3 |
| Schools | Thematic Control Review | Lack of focus on training and awareness. Failure to detect emerging control issues. | SS1 | Analyse work across the wider school environment to identify patterns and trends in control risk to help inform future awareness and training | 3 |
| Social Care | Supporting CCIS project | Failure of project to have effective challenge and governance arrangements | CR11, CR4 | Supporting the project team and providing expertise on control matters | 3 |
| Business | New Revenues Systems | Project may not meet the desired outcomes | | To support the selection and implementation of the new Income and Awards system | 3 |
| Housing | Traveller Sites project | Project may not deliver desired outcome or may cost more. | CR4 | To support the project to provide Traveller site in the north of the County. In addition to sign off the Welsh Government Grants | 3 |
| Housing | Domestic Abuse | Responding to in-house event | | To review the system for dealing with cases of domestic abuse | 8 |
| Housing | HRA Funding Arrangements | Funds may be incorrectly allocated giving an unclear position of the budgetary position | | To review financial activity in the HRA to ensure effective budgetary control, allocation of expenditure/ oncome and effective management reporting | 8 |
| | | | | Sub Total | 34 |

| OPERATIONAL SYSTEMS | | | | | |
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| Service | Area | Risk | Risk Map | Activity | Days |
| ICT | Firewall/ end point security | The Council will be vulnerable to attacks that could suspend critical services | CG2, | A review of end point security such as usb, anti virus etc. | 12 |
| ICT | Cloud Computing | The Councils data is lost or stolen. Reliance on a third party. | CG2, | To ensure the Council has assurances that data is sound and secure | 12 |
| Regen, Prop & Com | Planning Development | Potential breaches and increases in appeals | RPC6, | To provide necessary assurances that planning applications are in accordance with the councils procedures and processes and that overall decisions are clearly evidenced | 15 |
| Regen, Prop & Com | Building Control | Claims against the Council and risk of corruption | RPC6, | To review the Building Control systems to ensure they are robust and support the decisions made. In addition, ensure there protection against conflicts of interest | 12 |
| Regen, Prop & Com | County Farms - Lettings | Decisions may not be supported. Conflicts of interest | RPC12 | The examine the letting County farms to ensure that decision is transparent and fair | 8 |
| Schools | cashless catering pilot exercise and audit visits | Failure to meet project goal , reputational damage and non delivery of promised savings | SS1 | review functional operation of cashless facilities sin school to ensure an effective roll out across the county and consistency | 15 |
| Schools | Teacher Centre System | Failure to provide accurate information used for decision making | CG2, | To review aspects of the system and data to ensure it effectively support school activities | 15 |
| Schools | Unauthorised Absences penalties | failure to improve attendance | | to review to compliance with the Council's policy on unauthorised absence to determine if it is consistently applied | 8 |
| Operations | Fleet-vehicle tracking / CCTV | failure to ensure and efficient workforce | | To evaluate the vehicle tracking system to ensure that the Councils fleet assets are properly utilised | 6 |
| Operations | Vehicle Maintenance | Private works, ineffective procurement and inaccurate recharging | | To review the processes surrounding the vehicle maintenance process including costings, procurement and recharging. | 12 |
| Operations | Fleet Management systems | Failure to provide effective management information | | Undertake a systems based review of the fleet management IT system to ensure it is fit for purpose and being effectively operated. | 6 |

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| Housing | Common allocations Register | Incorrect allocations made or failure to defend a challenge | | To provide assurance that Council properties are allocated to those with the most need and in accordance with policies. | 10 |
| Housing | Rent Arrears | Inconsistent collection approach and loss of income | | To review the rent collection process once personal accounts are classed as in need of recovery to ensure consistent and effective outcomes | 10 |
| | | | | Sub Total | 141 |

| REGULATORY | | | | | |
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| Service | Area | Risk | Risk Map | Activity | Days |
| Schools | Grant Certification - Education | Failure to meet terms and conditions could result in clawback | Regulation | To provide regulatory verification and certification of multiple educational welsh government grants . | 25 |
| Regen | Grant Certification - Other | Failure to meet terms and conditions could result in clawback | Regulation | To provide regulatory verification and certification of European and BIS grants | 10 |
| | | | | Sub Total | 35 |

| ESTABLISHMENTS | | | | | |
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| Service | Area | Risk | Risk Map | Activity | Days |
| Schools | Schools Programme | Inappropriate governance arrangements and ineffective financial management leading to poor educational achievements. Helps the council comply with the conditions of Welsh Government grants for EIG, PDG and Post 16. | CG2, CR5 | Provide assurance over the financial and governance arrangements in schools via a risk assessed rolling programme of audit at individual schools . This will also include a controlled risk self-assessment process. | 90 |
| Operations | Environmental Audit | Loss of the Trunk Road Agency | | To undertake the external Environmental Audit that is a requirement maintaining the Trunk Road Agency Contract | 10 |
| | | | | Sub Total | 100 |

| GOVERNANCE | | | | | |
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| Service | Area | Risk | Risk Map | Activity | Days |
| Cross Cutting | Quality Assurance and Improvement Programme Review of Internal Audit / QAIP | Failure to Comply with the Public Sector Internal Audit Standards (PSIAS) and external Auditors unable to rely on IA work | Regulation | To carry out a review ensuring compliance with the Accounts and Audit Regulations (Wales) and Public Sector Internal Audit standards | 2 |
| Cross Cutting | External Review of Internal Audit | Failure to support collaborative activities | Regulation (PSIAS) and collaboration | As part of a collaborative arrangement between Welsh Councils, Powys will be undertaking the external quality assessment for Wrexham Council | 5 |
| Cross Cutting | Audit Committee, Internal Audit Working Group | Failure of the Audit Committee to fully perform their functions in accordance with the terms of reference | | This allocation covers member and officer reporting procedures , mainly to the audit Committee and its sub groups. | 30 |
| Cross Cutting | EMT, Service Liaison, Section 151 Support, and Service Management Support | Ineffective engagement on control principles | | This allocation covers officers reporting procedures including control updates, plan formulation and monitoring. | 20 |
| Cross Cutting | Follow-Up | Risk of significant failing in the control environment that can lead to fraud and/or error | CR7, CR10, ICS1, RCP8 | Where more serious concerns over the effectiveness of internal controls (a Limited or Low opinion) a follow up audit is undertaken at an appropriate time, allowing adequate time for the implementation of the agreed actions. | 80 |
| Cross Cutting | Agreed Action Tracking | High or Medium priority action may not be implemented | CG1, PSIAS | The Internal Audit Service with liaise with the Service Department to form an opinion on the status of significant control issues. These will be reported to Senior Officers and Members of the Audit Committee | 10 |
| Cross Cutting | Inter- Authority Collaboration | Failure to comply with the PSIAS and learn from other public Sector bodies | | Attendance at forum to represent the Council on regional Internal Audit matters | 4 |

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| Cross Cutting | Contingency | The Internal Audit Team cannot effectively respond to the changing demands of the Council | | The Public Sector Internal Audit Standards suggest that a provision be set aside to reflect unexpected events and respond to changes in organisational need | 50 |
| Cross Cutting | Misc carried forward work | Internal Audit work will not be completed | CR8 | An allowance to complete Internal Audit work that was started in 2015/16 and is either work in progress or draft | 30 |
| Sub Total | | | | | 231 |

| COUNTER FRAUD | | | | | |
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| Service | Area | Risk | Risk Map | Activity | Days |
| Cross Cutting | Travelling Expenses | Financial Loss to the Council and inappropriate employee behaviour | | To undertaken a probity check on travel claims looking for compliance with Council policies and offering a deterrent against fraud | 20 |
| Cross Cutting | Internet, Email and Telephone Use | Excessive Abuse of Council systems affecting ability to undertake duties | | Periodic reviews of system outputs to determine whether usage is unacceptable | 8 |
| Cross Cutting | National Fraud Initiative | Financial Loss to the Council | | As the key contact with the Wales Audit Office, the Internal Audit Team will co-ordinate the submission of data for NFI ensuring compliance with the data matching code of practice. On receipt of the results, the Team will both undertake investigations and disseminate matches for investigation by other functions. IA will gather the collective results and report these the these to the Wales Audit Office. | 20 |
| Cross Cutting | Responsive Fraud Investigations | Financial and reputational loss from fraud and corruption. | | | 120 |
| Sub Total | | | | | 168 |

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| TOTAL ALLOCATION | 1066 |
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