

OXFORDSHIRE COUNTY COUNCIL

INTERNAL AUDIT SERVICES

**INTERNAL AUDIT STRATEGY AND
ANNUAL PLAN 2010/11**

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INTERNAL AUDIT SERVICES

INTERNAL STRATEGY & AUDIT ANNUAL PLAN 2010/11

1. Introduction

- 1.1 This document sets out the Internal Audit Services work plan for 2010/11. The plan is attached as appendix A to this report and lists the audit activity, the planned days, and a brief description outlining the objectives of the work. Against each audit activity listed within the Audit Plan is a “significance” rating of high, medium or low. This is a subjective rating by the Head of Internal Audit, based on the impact of the process on the Council’s objectives and statutory responsibilities.
- 1.2 The consultation process for devising the Plan included Directors, Heads of Service, Business Managers, Finance Business Partners, the Assistant Chief Executive & Chief Finance Officer, and by reference to the strategic risk register, and service risk registers.

2. Internal Audit Strategy

- 2.1 The Accounts and Audit Regulations 2003 (S6) as amended in 2006, state that the Council needs to maintain an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with the proper internal audit practices. Proper internal audit practices are defined in the Cipfa Code of Practice for Internal Audit in Local Government in the UK, which was also updated for 2006.
- 2.2 The CIPFA Code of Practice 2006 defines Internal Audit as an assurance function whose primary role is to provide an independent and objective opinion to the Council on the control environment by evaluating its effectiveness in achieving the organisation’s objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic and efficient use of resources.
- 2.3 The Assistant Head of Finance (Audit) provides this opinion in an annual report on the system of internal control, which is used to inform the Council’s Annual Governance Statement. In providing this opinion we are required to review annually the financial management, risk management and governance processes operating within the Council. This includes reviewing internal control systems for key processes on a risk basis. The methodology for identifying areas for audit is detailed in section 3 of this report.
- 2.4 The Internal Audit Service comprises of an in-house team supported by contract staff bought in for specialist IT Audit work, and for FMSiS Schools audits. The County Council also has a call off contract (hosted by

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- Buckinghamshire County Council) for Internal Audit Services, to provide resilience in covering vacancies or long term absences. The current contract ends on 31 March 2010, but a new contract for three years is currently out to tender, and should be in place from 1 April 2010.
- 2.5 In 2007/08 Internal Audit in collaboration with CYPF Directorate and the Schools Forum, agreed a three year strategy for supporting schools in achieving the Financial Management Standards in Schools (FMSiS) accreditation. This has been a major success and as a result, the Schools Forum has commissioned Internal Audit Services to continue the service for a further three years, 2010 to 2013.
 - 2.6 In 2009/10 Internal Audit was able to extend its coverage to external clients, Buckinghamshire County Council and Thames Valley Police Authority. Whilst last year the external income enabled some growth in resources, budget pressures over the term of the councils Medium Term Financial Plan now means this income will be required to meet savings targets of £74000. The current level of resource in Internal Audit is dependent on the generation of income, this is explained in more detail in section 4 of this report.
 - 2.7 The Assistant Head of Finance (Audit), performs the role of Chief Internal Auditor across four Authorities; Oxfordshire County Council; Thames Valley Police Authority; Buckinghamshire County Council; and, by de facto the Buckinghamshire and Milton Keynes Fire Authority. This arrangement has been operating for 12 months, and will continue for a further 12 months, during which the opportunity to integrate the three internal teams to generate further savings and provide greater resilience will be progressed including establishing a shared service arrangement.
 - 2.8 Following the disbanding of the Learning & Skills Council, Internal Audit are benefiting from the transfer of a Principal Auditor from the LSC to Oxfordshire County Council, fully funded for three years. This opportunity supports the strategy for developing a shared internal audit service. The increase in the management capacity enables the Chief Internal Auditor to delegate tasks to the Audit Managers and allows their development in terms of increased exposure to supporting Audit Committees.
 - 2.9 The internal audit team will be restructured again with effect from 1 April 2010 to accommodate the new Principal Auditor role.
 - 2.10 The audit methodology will continue to use manual working papers and production of reports in the short term; however as integration is explored with other organisations, the opportunity to maintain similar systems and processes will be sought, including investigating the benefits of using audit management software.
 - 2.11 There will remain a significant emphasis for internal audit activity in reviewing financial systems; however as reflected in the current year plan, there is also a role in looking at wider risk, supporting the Directorates in

achieving their objectives. Internal Audit will be working closely with the Performance and Risk Management team in providing assurance on the key control processes including risk management, project management, data quality, and partnerships. Contracting and contract management also features heavily within the annual plan, reflecting the way in which this Authority delivers its services through partnership and outsourcing arrangements.

- 2.12 Consistent with previous years, the strategy remains to provide a flexible service that can react to changes in the Council's risk profile, and react to customers needs. The audit plan reflects this by including a reasonable contingency for unplanned work.

3. Audit Planning Methodology

- 3.1 The internal audit plan for 2010/11 has been developed after consultation with Heads of Services and Business Managers in identifying the key business processes to support their objectives in 2010/11. The Strategic Risk Registers and Service Risk Registers have also been used to inform the plan. Not all the areas of activity will be identified on risk registers as business as usual processes are not recorded unless there are known issues. For audit planning purposes, internal audit have discussed the inherent risk of business as usual processes not meeting their objectives, with the managers. The adequacy of risk management will then be considered for each assignment, as the residual risk is evaluated for each process.
- 3.2 The Audit Plan has also been influenced by external influences, for example the Audit Commission and Central Government, with a focus on partnerships and performance monitoring in response to CAA requirements and the development of the Local Area Agreements.
- 3.3 Financial Management remains high profile within the Council, and continues to be transformed in terms of culture, structure and systems. This is reflected in the Financial Services and Procurement risk register, which includes an assessment of risks to discharging the statutory S151 responsibilities. This has been a major influence on the Plan, with the focus being on financial systems, financial management and procurement / contract management.
- 3.4 It is a key objective for Internal Audit to be more visible in the organisation, and to have a greater customer focus in discharging our work. To support this objective, the Plan provides coverage for audit activity in all Directorates.
- 3.5 In addition to the assurance role, it is also recognised within the CIPFA Code of Practice that Internal Audit can add value to the organisation by providing consultancy and advice and guidance on internal control. The Plan includes an allocation of time to support change programmes with a consultancy role in assisting / advising on the control frameworks for new

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business processes. By being involved at the development stage will enable Internal Audit to provide an informed opinion on the adequacy of the controls designed as assurance to the various project boards prior to the processes being signed off for live implementation.

- 3.6 The annual audit cycle always runs from 1 April to 30 April the following year with the expectancy that April is used for finalising audit reports issued in the final quarter. For 2010/11 the days carried forward from 2009/10 are estimated to be 50 days.
- 3.7 A further contingency of 150 days has been identified to provide some flexibility to the plan, enabling Internal Audit to respond to emerging risks.

4. Resources

- 4.1 Internal Audit is required to make savings of £74000 by 2011/12. We are achieving through the generation of income by providing chargeable services to Thames Valley Police Authority, Buckinghamshire County Council, and Schools through undertaking external assessments of FMSiS.
- 4.2 The chargeable service to schools is for the provision of an internal audit and FMSiS external assessment to every school, once in a three year cycle. The income generated pays for two full time audit staff, plus the management days delivered by the Compliance Manager, and a small number of administration days. One of the auditor resources is provided by the in house team, the other is outsourced.
- 4.3 The chargeable service to Thames Valley Police Authority is for 386 days. This includes 40 days IT audit activity which is outsourced; 86 Audit Management days, and 260 auditor days. The income generated last year enabled additional auditor resource to be available to Oxfordshire; the transfer of the Principal Auditor from the LSC relieves the pressure on the Audit Management time for this contract. The 260 Auditor days are delivered by the in house team, although this includes the current vacancy for a Senior Auditor
- 4.4 The chargeable service to Buckinghamshire County Council for 2010/11 generates income that will be used for buying in additional audit resource to support the internal audit plan for Oxfordshire, however from 2011/12 this income will be used to meet the savings.
- 4.5 The Internal Audit Service is resourced as follows:
- | | |
|-----------------------------------|-----------------------|
| Assistant Head of Finance (Audit) | 1 FTE |
| Audit Managers | 1.6 FTE |
| Principal Auditors | 3 FTE |
| Senior Auditor | 3.0 FTE (one vacancy) |

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- | | | |
|--|-----------------|---------------------------------|
| | Auditors | 3.0 FTE (including AAT Trainee) |
| | CIPFA Trainee | 1 FTE |
| | Audit Assistant | 0.8 FTE |
- 4.6 In accordance with the strategy for “buying in” specialist internal audit staff, a budget of £40000 has been retained for this purpose. The specialist work includes IT audit, with a need for 140 days identified in the audit plan, although some of this will be delivered by the in house team.
- 4.7 There has been no loss of staff in 2009/10, although the Principal Auditor for Schools post has now been merged with the Compliance Manager role that operates within the Schools Support Finance Team in Shared Services.
- 4.8 Whilst the team is gaining an additional post from the transfer of the Principal Auditor from the LSC, overall there is a reduction in the chargeable audit days available resulting from the budget savings. We have lost the full time Principal Auditor for Schools post, reduced now to 79 days of the Compliance Managers role; and, we previously outsourced both auditor posts for schools audits; from 2010/11 one auditor role will have to be resourced from the in house team.

Analysis of auditor days

	2010/11	Comments	2009/10	Diff.	Reason for change
Gross days – In house team	3437		3117	+320	Establishment changes: Principal Auditor Schools post now deleted (see below) – (-260 days); Additional post funded by external income from TVPA contract (+260 days); Additional post transferred in from LSC (+260 days), and additional Admin Support days funded by the income generated by the FMSiS audit activity (60 days)
Compliance Manager – Schools Support Finance	73	Previously this post was held in Internal Audit as Principal Auditor for Schools	0	+73	This is directly funded as part of the income generated through the FMSiS audit activity
Contract	682	This is made up of:	591	+91	Last year there was a provision for 391 days for

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days		140 days IT Audit 180 days FMSIS / Schools 302 days Audit Services Contract (includes 180 days for maternity cover – see below) 60 days BCC for new 14-18's learning assurance requirements			FMSiS, 100 days for IT and 100 days Audit Services Contract
Total Gross days	4192		3708	+484	
Overheads	1016	This time is for bank holidays, annual leave, special leave, training, contingency for sick absence, and recruitment.	735	+281	The additional time reflects one member of staff on maternity leave for the full year, plus the additional post introduced in 2010/11. The overhead time includes 190 days for professional training (5 staff)
Non Chargeable Days	465	The non chargeable days are for non audit related activity, including administration time, the wider role of the AHOF (Audit), staff appraisals, 1:1's and departmental work.	414	+51	The additional days reflect the additional resources in the team, and a realignment of the days based on last years actuals. Note the target is for 180 chargeable days per Auditor – allowing for the professional training overhead, this is achieved.
Total Chargeable days available	2711	This is the number of days that contribute directly to internal audit activity.	2559	+ 152	
Chargeable Days – non assignment	278	These are days not attributed to planned audit activity, such as the Head of Audits management days,	240	+ 38	The increase in days reflects time spent by audit staff on Corporate Assurance groups, CGAG and CGWG.

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		admin support for actual audit work, preparation of the audit plan, operational planning, reports for the AWG and Audit Committee.			
Chargeable days – External Clients (BCC and TVPA)	451		196	+ 255	The additional time is accounted
Chargeable days – OCC assignment based	1982	This is the number of days available for delivering the audit plan.	2123	-141	

4.5 The available days have been allocated as follows:

Key Financial Systems	152 days
Shared Services	21 days
Director for Children Young People and Families	205 days
Schools including FMSiS	509 days
Director for Community Safety	12 days
Director for Environment and Economy	104 days
Corporate Core	177 days
Director for Social and Community Services	128 days
IT Audit	100 days
Counter-Fraud	105 days
Follow Up	115 days

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09/10 Carry forward	45 days
Contingency	150 days
Audit Management	159 days
TOTAL PLANNED DAYS	1982 days

5. Risks

- 5.1 The key risk areas to the achievement of the plan are performance and staff retention. Both of these are considered low risk at this stage.

6 Performance Monitoring

- 6.1 Progress against the audit plan will be monitored at every meeting by the Audit Working Group. A quarterly report on performance, measured against the agreed performance indicators, (attached as appendix B) will be also given to the Audit Working Group, and reported on through that group to the Audit Committee.

Ian Dyson

Assistant Head of Finance (Audit)

April 2010

APPENDIX A INTERNAL AUDIT PLAN 20010/11

Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
KEY FINANCIAL SYSTEMS					
Payroll	This audit is undertaken annually to provide assurance that payments are accurate, timely and paid to legitimate employees only.	12	Risk	FS&P Risks Register	High
Accounts Payable	This audit is undertaken annually to provide assurance that payments to creditors are timely and in respect of goods or services required and received by the council. It will cover procure to pay processes in SAP R3, and SRM. During 2010/11 a system will be implemented which will automate the processing of invoices. This will be included within the scope of the audit. The audit will also include the transfer of data from SCS and EE feeder systems.	16	Risk	FS&P Risks Register	High

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Accounts Receivable	<p>An annual audit to provide assurance that debtor income is identified recorded and collected in a timely and efficient method. The audit will also review other debt management procedures including the cancellation and writing off of debts. The scope will cover debts managed corporately on SAP and those relating to Adult Social care managed through the Abacus System. The audit will also include procedures at local sites responsible for raising debtor invoices.</p>	12	Risk	FS&P Risks Register	High
Budget Setting	<p>The audit will cover both the corporate process and continue to focus on testing within directorates, ensuring over a three year period that all directorates are covered.</p> <p>The scope of the audit will include review of the identification of efficiency savings, providing assurance on processes to ensure realistic assumptions are made.</p>	16	Risk	FS&P Risks Register	High

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Budgetary Control	<p>The audit will test compliance with the key controls to give assurance that expenditure is being properly controlled, to deliver the required outcomes, within the limits of the budget allocated. Corporate reporting will be tested, with Directorate testing on a cyclical basis. To form an opinion for 2010/11 the following areas will be included within the scope of the audit:</p> <ul style="list-style-type: none"> - ICT budget setting and budgetary control. - CYPF budgetary control, following up on issues arising from 2009/10 audit of CYPF Governance. - SCS budgetary control. - Facilities Management budget once responsibilities transferred to E&E. 	24	Risk	FS&P Risks Register	High

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Main Accounting / General Ledger	This is an annual audit, testing the key controls to provide assurance that financial transactions are properly recorded to enable the production of timely and accurate statement of accounts, and management accounts. The planned days also provides for a review of non SAP feeder systems, ensuring there are adequate and effective controls in place to give assurance on the accuracy and integrity of data being transferred into SAP Accounts Payable, Account Receivable and the General Ledger.	16	Risk	FS&P Risks Register	High
Treasury Management	An annual review to test the key controls to provide assurance that council funds are being effectively managed to support the delivery of council operations and to maximise investment opportunities for cash surpluses.	12	Risk	FS&P Risks Register	High
Capital Accounting	An annual review to test the key controls to provide assurance over the accuracy and integrity of capital financing and capital transactions.	12	Risk	FS&P Risks Register	High

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Pensions Administration	An annual review to test the key controls providing assurance that members' records are accurately maintained, and that payment through the pension's payroll are accurate and made on a timely basis to legitimate pensioners only. This audit will also consider the processes for the admission and withdrawal of organisations to and from the pension fund.	12	Risk	FS&P Risks Register	High
Pensions Fund	An annual review to test the key controls providing assurance that the pensions fund is being properly managed, with funds invested securely maximising investment opportunities.	12	Risk	FS&P Risks Register	High
Cash Receipting	A review to provide assurance that cash is managed throughout the organisation in a controlled way which is consistent with the requirements of SAP working practices and Financial Regulations.	8	Risk	FS&P Risks Register	Medium
TOTAL KEY FINANCIAL SYSTEMS		152			
SHARED SERVICES					

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Shared Services Risk Management and Internal Control Framework	Shared Services new framework for monitoring performance, risk and internal control is planned to be operational from April 2010. Internal Audit will provide assurance that the system is operating effectively, ensuring the management controls and escalation processes are in place.	5	Risk	AHoF(Audit) / Head of Service	Medium
Fairer Charging	The audit will provide assurance on the financial assessment processes for fairer charging. The scope will include the new mobile working procedures for undertaking financial assessments.	8	Risk	AHoF (Audit)	Medium
Money Management	The audit will provide assurance on the adequacy and effectiveness of Money Management processes following the implementation of the new system.	8	Risk	AHoF (Audit)	Medium
Schools Support and Technical	This is included under the Schools Assurance section of the plan.	-	-	-	-
Quest Cleaning Services and Food with Thought	This area will be covered as part of the audit of CYPF Safer Recruitment, reviewing the recruitment procedures implemented in both Shared Services and CYPF.	-	-	-	-

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
TOTAL SHARED SERVICES		21			
CHILDREN YOUNG PEOPLE AND FAMILIES					
Safer Recruitment	<p>This audit will be cross cutting across the Directorate and will look to provide assurance that recruitment policies and procedures are in place and working effectively.</p> <p>The audit will include Quest Cleaning and Food with Thought, and the controls implemented by both Shared Services and CYPF.</p>	12	Risk	Director, Heads of Service & CYPF Risk Register	High

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Safeguarding / Integrated Children's System	<p>This audit will be cross cutting across the Directorate and will look to provide assurance that safeguarding, framework, policies and procedures are working effectively.</p> <p>The audit will look to place assurance on the CYPF quality assurance framework, reviewing the scope, adequacy and reporting mechanisms within this process.</p> <p>The audit will include follow-up of the audit completed in 09/10 of Safeguarding – training.</p> <p>The audit for 2010/11 will be review of the Integrated Children's System, providing assurance on the processes from referral to care provision, for capturing, maintaining and reporting on data and therefore how the system is contributing towards Safeguarding objectives of the Directorate.</p>	30	Risk	Director, Heads of Service & CYPF Risk Register	High

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Dedicated Schools Grant / CYPF Grants	There is planned strategic review of DSG monies. An audit will be completed following this review and the financial restructure within CYPF to provide assurance that CYPF grants are clearly allocated and embedded within the new budgets and there are clear processes in place to ensure monies are used appropriately and accounted for correctly.	16	Risk	Finance Business Partner / AHoF (Audit)	High
Disability Services	The audit will provide assurance over the eligibility criteria applied when determining packages of support, the procedures for collection of Health contributions, and the adequacy of overall budgetary control processes.	12	Risk	Head of Service	High
Children's Centres	<p>The audit will provide assurance on the overall governance and financial monitoring arrangements in place for Children's Centres.</p> <p>The scope of the audit will also include a compliance visit to a sample of 2-3 centres to review their financial processes and controls.</p>	16	Risk / Compliance	Finance Business Partner	Medium

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Learning Skills Council	The Learning Skills Council is being disbanded with effect from 1 April 2010, with some of the funding and governance responsibilities for this area being transferred to Oxfordshire. A programme of audit work will be determined to provide assurance over the use of the funding received, via the established providers.	78	Risk	Head of Service / AHoF (Audit)	High
CYPF Contract Procurement and Contract Management	This is an annual audit which will provide assurance on contract procurement and contract management processes within CYPF.	17	Risk	Head of Service	High
Contact Point	The audit will provide assurance on the processes for providing secure access to the Contact Point system for key staff within OCC and its Partner Agencies.	12	Compliance	AHoF (Audit)	High

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
School Improvement Partners	<p>The audit will look to provide assurance on the system of School Improvement Partners, how their effectiveness and impact, in particular on educational attainment, is measured, reported and monitored.</p> <p>The audit will include follow up on the School Development Audit undertaken in 2008/09, which covered some of the School Improvement Partner processes.</p>	12	Risk	Head of Service	Medium
CYPF Budgetary Control	This will be included in the main budgetary control audit, under Key Financial Systems.	-	-	-	-
TOTAL CYPF		205			
SCHOOLS ASSURANCE					

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
FMSiS / Audit	The DCFS are continuing with FMSiS, and the requirement that schools are reassessed at least every three years is mandatory. A service level agreement has been agreed between Internal Audit and Schools Forum for Internal Audit to deliver an integrated audit and FMSiS external Assessment for each school over a three year period. 2010/11 is the first year of this three year programme.	481	Compliance	AHoF (Audit)	Medium
SAP to schools	From April 2010 all schools will be using SAP as their financial management system. Internal Audit will look to provide assurance that financial processes and controls are in operation and working effectively following the final stage of roll-out to schools.	16	Risk / Compliance	AHoF(Audit) / Finance Business Partner / Director	Medium
Schools Support and Technical	The Schools Support and Technical Team is the main provider of assurance on the performance of financial management at schools. This is an annual audit.	12	Risk	FS&P risk register	High
TOTAL SCHOOLS ASSURANCE		509			
COMMUNITY SAFETY					

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Emergency Planning	The audit will look to provide assurance over the system in place for Emergency Planning within Oxfordshire, reviewing the implementation of the proposed integration between Oxfordshire County Council and the District Councils.	12	-	-	-
TOTAL COMMUNITY SAFETY		12			
ENVIRONMENT & ECONOMY					
Restructure Governance Review	<p>Transport will be re-structured during 2010/11, following the implementation of the new Highways contract. The restructuring then may be considered for the rest of the directorate in the following financial years.</p> <p>Internal Audit will provide assurance on the new governance and financial management arrangements once implemented, and prior to other restructuring being undertaken.</p>	12	Risk	Finance Business Partner / Head of Service	High

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Property Services Contract Procurement and Contract Management	Internal Audit will seek to take assurance on property maintenance and building works through auditing the adequacy and effectiveness of the contract procurement and management arrangements. The scope of the audit will include the new framework contractors for consultancy. The audit will also include local payment processing systems.	16	Risk	AHoF (Audit) / Head of Service	High
Oxfordshire Transport Contract Procurement and Contract Management	Internal Audit will seek to take assurance on highways maintenance and building works through auditing the adequacy and effectiveness of the contract procurement, contract management, and contract payment arrangements.	16	Risk	AHoF (Audit) / Head of Service	High
Oxfordshire Highways Contract	Internal Audit will review the operational processes designed for the new contractors prior to implementation of the new Highways Contract on 1 July 2010.	24	Risk	Head of Service	High

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Waste Management Contract Management	<p>Internal Audit will seek to take assurance on waste management contracts through auditing the adequacy and effectiveness of the contract procurement, contract management and contract payment arrangements.</p> <p>Internal Audit will also provide assurance on the procurement activity relating to the Waste Treatment Project; however the timing of this will be determined once timescales for appeal against planning refusal are known.</p>	16	Risk	AHoF (Audit)	High
Energy billing	The audit will provide assurance on the processes in place for the approval of payments for energy billing and budget monitoring/ contract monitoring procedures.	12	Risk	Head of Service	Medium
E&E Planning System	The audit has been deferred from 2009/10 Internal Audit Plan, as the system was not implemented until the final quarter. The audit in 2010/11 will provide assurance on the adequacy and effectiveness of the new system in operation.	8	Risk	Head of Service	Medium

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Facilities Management service	This audit was deferred from 2009/10 as the implementation was delayed – this will now be included within the audit of Budgetary Control for 2010/11, included under Key Financial Systems.	-	-	-	-
TOTAL ENVIRONMENT & ECONOMY		104			
CORPORATE CORE					
<i>Partnerships</i>					
Voluntary Sector Grants and Donations	The audit will focus on the process and method for allocating grants and donations to voluntary sector organisations and the outcomes achieved by these organisations.	8	Risk	Corporate Partnerships Manager / Risk Register	High
Thematic Partnership Arrangements	The audit will review the arrangements in place for the seven thematic partnerships, in terms of outcomes, and the quality of their processes for performance and financial management.	8	Risk	Corporate Partnerships Manager / Risk Register	High

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Partnership Governance Arrangements	The audit will focus on the governance arrangements in place for other key partnerships where the Council is involved. This will include assessing the performance and financial management arrangements in place in achieving the partnerships outcomes.	20	Risk	Corporate Partnerships Manager / Risk Register	Medium
<i>Policy and Performance</i>					
LAA2 Data Quality	This audit will review the robustness, accuracy and integrity of data used to monitor key performance indicators supporting the delivery of the LAA2.	12	Risk	Head of Strategy / Risk Register	High
LAA1 Reward Grant	The audit will focus on the accuracy and reliability of the supporting data in relation to the Council's LAA1 Reward Grant claim.	5	Risk	AHoF (Audit)	High
Performance Management	Internal audit will work with the Policy and Performance team to provide assurance over the Council's performance monitoring and reporting arrangements.	16	Risk	Head of Strategy / Risk Register	High

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Project Management	Internal audit will work with the Policy and Performance team to provide assurance that the Councils project management guidelines are being properly applied, and that effective governance arrangements exist to ensure projects are properly prioritised, co-ordinated, funded and monitored.	20	Risk	AHoF (Audit)	High
Human Resources & Organisational Development					
HR Organisational Management	A new database is due to be introduced in April 2010 which will provide management with organisational HR data. The audit will review the accuracy of data within the system and the processes designed to provide the management information.	16	Risk	Head of Human Resources and Organisational Development	High
Sickness Management	The audit will focus on the system for capturing and recording the sickness levels in the Authority and the process for reporting sickness corporately.	12	Risk	AHoF (Audit)	Medium

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Teachers Pensions Contributions	The audit will review the process for calculating teacher's pension contributions and the method for transferring data to external organisations.	8	Verification	AHoF (Audit)	Medium
SAP Self Service	The audit will focus on reviewing progress of the SAP Self Service project and the design of new process once the employee self service system has been implemented.	12	Risk	Head of Human Resources and Organisational Development	High
Legal & Democratic Services					
Corporate Governance	On a cyclical basis internal audit will review compliance with Governance Standards as published by CIPFA / SOLACE, including compliance with the councils own Local Code.	12	Risk	Head of Legal and Democratic Services	High

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Data Protection	This audit will consider compliance with the data protection act in two directorates, and will use the Data Protection – Complete Audit Guide, produced by the Information Commissioner as the best practice against which compliance will be measured.	8	Verification	Head of Legal and Democratic Services	Medium
Internal Control Checklist verification	This audit will support and challenge the process for completing the ICC's in directorates including verification of sources of evidence, to give assurance over the robustness and reliability of the process.	8	Verification	AHoF (Audit)	High
Non-compliance with Contract Procedure Rules	This proactive fraud work will focus on identifying non-compliance with the Council's Contract Procedure Rules, the reasons for non-compliance, the implications of any identified issues and the actions required to address weaknesses.	12	Fraud	Head of Legal and Democratic Services / AHoF (Audit)	High
TOTAL CORPORATE CORE		177			
SOCIAL & COMMUNITY SERVICES					

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Transforming Social Care	This is a major programme for SCS. Internal Audit will provide advice and consultancy as required, and assurance to the board on controls as new business systems are developed.	24	Consultancy / Risk	Risk Register / Director for Social and Community Services	High
Pooled Budget Management	The audit will look at the governance and management of the pooled budgets for which Oxfordshire is the administering authority.	8	Risk	Head of Social Care for Adults	Medium
Care Service Commissioning and Performance	The audit will focus on reviewing the processes for procuring and commissioning care services, including the monitoring of provider performance and management of service complaints to ensure the Council's duty of care requirements are met.	32	Risk	Risk Register / Director for Social and Community Services	High
Care Purchasing	The review will look at the whole care management process including payments for a sample of cross cutting clients, focus on financial controls and also data recording and data quality.	16	Risk	AHoF (Audit)	High

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
SCS Safeguarding	The audit will provide assurance that safeguarding, framework, policies and procedures are working effectively within the Directorate.	12	Risk	Risk Register / Director for Social and Community Services	High
Extra Care Housing Projects	The audit will focus on review the project to deliver extra care housing accommodation in Oxfordshire, utilising the award of external funding.	12	Risk	Head of Strategy and Transformation	Medium
Aids and Adaptations	This proactive fraud work will focus on identifying applications for aids and adaptations and whether the applications are appropriate and correct.	8	Fraud	AHoF (Audit)	Medium
Client Charging	The audit will focus on the link with care purchasing and involve substantive testing of a sample of clients, including third party billing and health payments.	16	Risk	AHoF (Audit)	Medium
Total for SCS		128			
Total for IT Audit	Audits to be confirmed	100			
OTHER					

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Audit Area	Scope / Objective	Planned Days	Type of Audit	Risk Source	Significance
Counter Fraud	Time is allocated to continue work on the implementation of the Fraud Action Plan, the 2010/11 NFI exercise, undertaking additional proactive testing on areas with an inherent risk of fraud, raising awareness of fraud and corruption issues, and undertaking investigations if necessary.	105	-	-	-
Contingency, General Advice and Guidance	To maintain a good customer focus, days are allocated in the audit plan to respond to ad-hoc requests for advice and guidance around internal controls matters.	150	-	-	-
Follow Up	In accordance with the audit strategy, time is allocated to follow up management actions on a timely basis.	115	-	-	-
09/10 Overrun	Time is allocated for the completion of the 09/10 planned activity.	45	-	-	-
Audit Management	To manage the audit assignments including advice and support to the Auditors, and to complete the quality assurance process.	159			
Total for Other		574			
Total Audit Days		1982			

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APPENDIX B PERFORMANCE INDICATORS 2007/08

	Performance Measure	Target	Frequency of reporting	Method
1	Elapsed time between start of the audit (opening meeting) and Exit Meeting.	Target date agreed for each assignment by the Audit manager, stated on Terms of Reference, but should be no more than 3 X the total audit assignment days (excepting annual leave etc)	Every Quarter to AWG	Internal Audit Performance Monitoring System
2	Elapsed Time for completion of audit work (exit meeting) to issue of draft report.	15 Days	Every Quarter to AWG	Internal Audit Performance Monitoring System
3	Elapsed Time between issue of Draft report and issue of Final Report	15 Days (Except Schools Audits)	Every Quarter to AWG	Internal Audit Performance Monitoring System
4	% of Internal Audit Planned Activity delivered against that planned to be achieved for the period.	100% of Plan by End of April 2010	Annual Report. Every AWG comparing % actual against the % of year elapsed.	Internal Audit Performance Monitoring System
5	Hours charged to audits compared to budgets	All audits delivered within budget	Every Quarter to AWG	Internal Audit Performance Monitoring System
6	% of Priority 1 and 2 recommendations followed up after implementation date	All priority 1 and 2 recommendations followed up within three months of the date of expected implementation	Every Quarter to AWG	Internal Audit Performance Monitoring System

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7	% of recommendations implemented within the agreed timescales	90% of all recommendations	Every Quarter to AWG	Internal Audit Performance Monitoring System
8	Improved assurance opinion for second and subsequent audits	Improvement	Annual Report	Internal Audit Performance Monitoring System
9	Customer satisfaction questionnaire (Audit Assignments)	average score of <2	Every Quarter to AWG	Questionnaire
10	Directors satisfaction with internal audit work	Satisfactory or above	Annually - review of the effectiveness of IA	Questionnaire
11	Extent of reliance External Audit can place on Internal Audit	Reliance placed on IA work	Annual Report by KPMG	KPMG report