Report of the Director: Agenda Item No: 9
Governance and Partnerships   Meeting: 5 July 2017

NORTH LINCOLNSHIRE COUNCIL

| AUDIT COMMITTEE |

INTERNAL AUDIT – AUDIT PLAN 2017-18 UPDATE

1.   OBJECT AND KEY POINTS IN THIS REPORT

1.1   To share the detailed audit plan with the Audit Committee.

2.   BACKGROUND INFORMATION

2.1   At the Audit Committee held on 11 April the Head of Audit and Assurance presented the outline audit plan. At this meeting it was reported to Members that the detailed plan would be presented at the next meeting to allow time for the new senior management team to consider priorities under strategic and operational risks.

2.2   The Audit Plan is attached in the Appendix, outlines the areas of work to be undertaken by Internal Audit within the 1250 audit days allocated. The plan allows 100 audit days for contingency. It is anticpated that this contingency will be available for additional audit wiork as new areas of risk emerge during 2017/18.

3.   OPTIONS FOR CONSIDERATION

3.1   The Committee is asked to note the   updated internal Audit Plan 2017/18.

4.   ANALYSIS OF OPTIONS

4.1   The audit plan continues to meet the requirements of the Public Sector Internal Audit Standards (PSIAS) and the North Lincolnshire Internal Audit Charter.

4.2   The Head of Internal Audit and Assurance is satisfied that he has sufficient resources for the delivery of the plan and that it will provide a reliable year-end annual audit opinion on the council's control environment.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 There are no additional resource implicatons compared to the plan presented to the Audit Committee in April 2017.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

6.1 An Integrated Impact Assessment is not required.

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

7.2 The updated plan has been subject to discussion with members of the Council's Leadership team and their comments were incorporated wherever possible.

7.2 As reported in April 2017 there are no conflicts of interests to declare in relation to the plan as a whole. At the beginning of each year audit team members, in line with the audit of code of conduct are required to declare any close relationships which could impact on the delivery of particular audit assignment. If relevant such assignments are provided to other members of the team.

8. RECOMMENDATIONS

8.1 That the Audit Committee notes the updated intenral audit plan 2017/18

DIRECTOR: GOVERNANCE AND PARTNERSHIPS

Civic Centre
Ashby Road
SCUNTHORPE
North Lincolnshire
DN16 1AB

Author: Peter Hanmer
Date: 14 June 2017

Background Papers used in the preparation of this report:
Report to the Audit Committee- Audit Plan 2017/18- April 2017

NLC audit plan 2017/18 as at 16 June 2017

Audit	Theme	Director	Code of governance	Actual Days	Comments
Strategic and operational risks				455	Providing assurance on key strategic and operational risks which impact on the council's control environment, its code of governance, or the delivery of its key strategic outcomes
Public Health- Contracted Services	Commissioning	Public health	Determining interventions		To provide assurance on the governance arrangements relating to the delivery of health improvement outcomes. To cover sample of contracts: Obesity/Weight Management Measurement, Sexual Health, Smoking Cessation, Substance Misuse
Asset Rationalisation and Disposals	Commissioning	Operations	Robust internal control and strong financial management		To provide assurance on the council's approach to asset disposals, including the identification of surplus assets and the processes for valuing and disposing of them
Role of the monitoring officer	Governance	Governance & Partnerships	Behaving with integrity and respecting the rule of law		To provide assurance that the role of the monitoring officer is carried out in line with statutory guidance
Deferred Payments (ASC)	Governance	Governance & Partnerships	Robust internal control and strong financial management		To provide assurance that the newly live system is effective in ensuring correct and prompt billing and is the basis for the correct completion of the annual return, underpinned by robust processes to safeguard the councils interest in assets. NB election results may determine further changes are required within this area

Complaints	Governance	Governance & Partnerships	Behaving with integrity and respecting the rule of law		Provide assurance that the complaints process is effectively applied for all services and is a means for identifying systemic issues for redress
Public Health Grant	Governance	Public health	Implementing good practice in transparency		To provide assurance on the audit trail in relation to the use of the public health grant, ensuring that it is used for the purposes defined by Parliament and is linked to public health outcomes
Delegations and Officer decisions	Governance	Governance & Partnerships	Openness and engagement		The Council's approach to relevant legislation is delivered through appropriate schemes of delegation and sub schemes for officer decisions
Partnership Governance - Education	Governance	Learning, Skills & Culture	Determining interventions		To provide assurance on how the council mitigates risks from partnership working, particularly in relation to reputation, responsibilities, funding, performance and exit arrangements. Partnerships to include are:
Direct payments (ASC)	Governance	Governance & Partnerships	Robust internal control and strong financial management		To provide assurance that where services are to be met through direct payments that there are effective safeguards to ensure that spend is in in line with required outcomes
Governance - Gifts and Hospitality	Governance	Governance & Partnerships	Implementing good practice in transparency		To provide assurance on compliance with the gifts and hospitality policy
Externally funded projects	Governance	Business Development	Defining Outcomes		To provide assurance on the council's governance arrangements for externally funded projects; corporate approach rather than specific projects. Note: Community funding under Children & Community Resilience

Information Governance - Transparency	Governance	Governance & Partnerships	Implementing good practice in transparency		To provide assurance that the council is complying with legal requirements.
Role of the CFO	Governance	Governance & Partnerships	Robust internal control and strong financial management		To review arrangements for finance in relation to the expected guidance in the CIPFA document "Role of the CFO", including assistance that the role operates in line with statutory guidance
Lincs lotto	Governance	Governance & Partnerships	Robust internal control and strong financial management		To provide assurance that potential financial, reputational, and legal risks have been considered in relation to the settoin up Lincs Lotto
Adults Referrals	Safeguarding	Adults & Community Wellbeing	Determining interventions		To provide assurance on the effectiveness of the arrangements for receiving and responding on a multi agency basis to referrals received
Clinical Governance	Safeguarding	Public health	Robust internal control and strong financial management		To provide assurance that the council has effective arrangements in relation to its responsibilities for clinical governance
Deprivation of Liberty	Safeguarding	Adults & Community Wellbeing	Behaving with integrity and respecting the rule of law		To provide assurance that the council is meeting its obligations to carry out best interest assessments
Special Guardianships	Service delivery	Children & Community Resilience	Determining interventions		To provide assurance that special guardianships regulations are being consistently applied in terms of fees paid and not as a means to avoid adoption

Home Choice Lincs	Service delivery	Operations	Determining interventions		In a joint audit with NELC provide assurance on the effectiveness of arrangements in relation to the maintenance of the housing register via Home Choice Lincs, which contributes to the effective delivery of the homelessness strategy. Include use of residential short stay while waiting for a property, but allocated low priority
Service Delivery - Social Care Provider Development (ASC)	Service delivery	Adults & Community Wellbeing	Robust internal control and strong financial management		To provide assurance that the systems for ensuring provider compliance with commissioned contracts and for developing the market place through provider development to meet the councils vision of adult social care delivery
Transport - service delivery models	Service delivery	Operations	Determining interventions		To provide assurance on the Council's approach to meeting demand and budgets for the provision of rural transport, home to college transport for 16+ and transport/escorts for SEN/CIC
Service Delivery - Welfare Reform	Service delivery	Governance & Partnerships	Determining interventions		To provide assurance that the roll out of welfare reform, through in this instance universal credit, is correctly and promptly applied to benefits claims
Wellbeing hubs	Service delivery	Adults & Community Wellbeing	Robust internal control and strong financial management		To review intenrnal control arrangements at the Council's well being hubs
Media enquiries	Service delivery	Business Development	Robust internal control and strong financial management		To provide assurance on the council's arrangements for dealing with media enquiries, particularly out of hours.

Publications	Service delivery	Business Development	Robust internal control and strong financial management		To provide assurance on arrangements for the production of internal and external publications, including costing, prioritisation and approvals.
Leisure	Service Delivery	Learning, Skills & Culture	Determining interventions		To provide assurance on the financial and performance business information systems; particularly in relation to reliability of performance information and whether it supports decision making and is business focussed
SEN, incl. Out of area placements	Service Delivery	Learning, Skills & Culture	Determining interventions		To provide assurance on the council's approach to SEN, with particular emphasis on arrangements for out of area placements for SEN and complex needs. Take account of compliance with regulations, client experience and vfm
Critical assets - Property	Strategic and operational risks	Operations	Robust internal control and strong financial management		To provide assurance on the council's approach to keeping council buildings safe for users of the buildings and the public, reducing the risk of corporate manslaughter charges, loss of reputation and financial liabilities
Critical Assets - Fleet	Strategic and operational risks	Operations	Robust internal control and strong financial management		To provide assurance on the council's approach to keeping its fleet fit for purpose and safe to operate, reducing the risk of loss of operating licences, corporate manslaughter charges, loss of reputation and financial liabilities
Highways Maintenance & Transport Plan	Strategic and operational risks	Operations	Determining interventions		To provide assurance on the approach to in relation to highways maintenance from investment decisions through to reactive repairs

Delivery of the Financial Plan	Strategic Planning	Governance & Partnerships	Defining Outcomes		To provide assurance on the governance arrangements in place to determine and then monitor the delivery of the financial plan
Environmental sustainability	Strategic Planning	Operations	Defining Outcomes		To provide assurance that statutory obligations are met and key strategies are in place, monitored and outcomes met. Desktop exercise based on CIPFA guidance
Prosperity Board - Housing & Economy	Strategic Planning	Business Development	Defining Outcomes		To provide assurance on the governance arrangements for delivery of key strategies, specifically the Housing Strategy and Economic Strategy.
Financial systems		**Governance & partnerships**	**Robust internal control and strong financial management**	140	To provide assurance on the key fundamental systems which underpin the financial statements
Human Resources		**Business Development**	**Developing capacity**	30	To provide assurance on the design and operation of human resources policies, with the exact areas to be reviewed to be determined during 17/18 based on priorities: - mandatory training
ICT		**Business Development**	**Robust internal control and strong financial management**	60	To provide assurance on the operation of ICT which underpins the Council's control environment, including information governance. See ICT Plan.
Procurement		**Governance & partnerships**	**Robust internal control and strong financial management**	15	To provide assurance on the Council's procurement processes using a cyclical plan

Schools		Learning, Skills & Culture	Robust internal control and strong financial management	100	To provide assurance on the control environment within maintained schools based upon cyclical visits of to schools and an overall review of financial management of maintained schools
Advisory work				70	General advice and support provided by internal audit to services
Grants - certification				30	Mandatory certification of grants including: Highways, Bus subsidies, Troubled Families, Humber Social Work WTP
Follow up				50	Maintenance of follow up process and specific follow up reviews
Fraud and investigation				125	Proactive and reactive investigations (including NFI) to support the council's overall approach to minimising fraud and financial misconduct
Audit Management				75	General support to the delivery of the audit plan including audit planning, supporting the audit committee, attendance at senior management meetings, quality assurance, updates to Directors, performance information
Contingency				100	
Total				1250	