

**Audit Committee - 16<sup>th</sup> April 2009**

**Report of the Interim Director of Finance**

**Audit Plan For The Period 2009/2010**

**Purpose of the Report**

1. To inform members of the work that the Audit Services Division plan to undertake during the period from 1<sup>st</sup> April 2009 to 31<sup>st</sup> March 2010.

**Background**

2. The Accounts and Audit Regulations 2006 require that the Council maintains “an adequate and effective system of internal audit of its accounting records and its system of internal control in accordance with the proper internal audit practices.” The work of the Audit Services Division enables the Council to comply with this requirement of the Accounts and Audit Regulations. In addition, it provides the Council’s Section 151 officer (the officer with the legal duty to ensure the proper administration of the Council’s financial affairs – in Dudley this is the Director of Finance) with assurance that the financial affairs of the Council are conducted in a proper manner.
3. As part of its work, the Audit Services Division liaise closely with the Audit Commission (the Council’s external auditors) and plans to undertake a level of work on all main financial systems such that the Audit Commission can rely on the work carried out by Audit Services and do not have to undertake their own tests on the systems. The Audit Services Division have consistently completed their planned work in such a manner that the external auditors have been able to rely on that work.
4. The Accounts and Audit Regulations also require that internal audit operates in accordance with proper audit practices and the Chartered Institute of Public Finance and Accountancy (CIPFA) has produced a Code of Practice that the Audit Services Division follows. The scope of internal audit work includes, but is not limited to, financial control arrangements and the Code of Practice requires that the Head of Audit Services considers the results of the Council’s risk management process when determining what should be audited. Such an approach

is, however, dependant upon the Head of Audit Services being satisfied with the quality of the outputs from the risk management process.

5. The Council's risk management strategy continues to be embedded across the Authority and this year has seen the introduction of a new software system to assist in the process. The Head of Audit Services and the Director of Finance agreed that outputs from the risk management process should not be used solely for audit planning purposes at present so, in accordance with the Code, the Head of Audit Services used an additional risk assessment methodology. This is consistent with the assessments used by Audit Services in previous years (and accepted as a reasonable approach by the Council's external auditors).
6. The plan uses the risk assessment to determine the frequency with which the various systems should be audited and the Head of Audit Services balances the need for audit coverage against the available resources. The audit plan does not, therefore, include some of the low risk aspects of the Council's operations. The systems that are assessed as high risk are audited each year whilst others are examined every two, three or four years.
7. Audit Services has consulted with all Directors about the plan, to obtain their views and to identify new activities that should be considered for audit and any activities that are no longer taking place and can be removed from the audit plan. Audit Services amend the plan as necessary, based upon the results of these consultations.
8. Audit Services presented a Strategic Audit Plan for the period 2008/2011 to the Audit Committee in April 2008 and this was based around a staffing level of approximately 15 WTE within an establishment of 16 WTE. The Interim Director of Finance has agreed to support the appointment of a temporary Auditor [0.75 WTE] which is within approved establishment level, to provide us with more resource to develop income generation and value for money audits.
9. Appendices A & B provide a summary of the plan for the period 1<sup>st</sup> April 2009 to 31<sup>st</sup> March 2010.

## **Finance**

10. There are no direct financial implications arising from this report. The cost of internal audit is met from within the base budget of the Finance Directorate.

### Law

11. The Account and Audit Regulations 2006 require the Council to have an adequate and effective system of internal audit of its accounting records and its system of internal control in accordance with the proper internal audit practices.

### Equality Impact

12. This report does not raise any equal opportunities issues.
13. The work included in the audit plan will help to protect the interests of children and young people, albeit they were not consulted on, or involved, with the development of the plan.

### Recommendation

14. That members note the content of this report and approve the Audit Plan for 2009/2010.



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**Bill Baker**  
**Interim Director of Finance**

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Appendix A

**Audit Coverage 2003 to 2011 : By Directorate**

<b>Audit</b>	<b>03/04 Actual</b>	<b>04/05 Actual</b>	<b>05/06 Actual</b>	<b>06/07 Actual</b>	<b>07/08 Actual</b>	<b>08/09 Actual</b>	<b>09/10 Plan</b>	<b>10/11 Plan</b>
<b>Adult, Community &amp; Housing</b>	403	357	335	286	198	388	423	340
<b>Chief Executive</b>	25	69	32	84	132	125	305	162
<b>Children's Services</b>	282	317	287	225	174	203	229	249
<b>External Contract - Connexions</b>			45	35	36	41	34	34
<b>Finance, ICT &amp; Procurement</b>	207	238	218	292	212	290	351	306
<b>Honorary</b>	46	28	42	41	29	26	31	28
<b>Law &amp; Property</b>	78	40	149	89	63	96	113	85
<b>Schools</b>	253	280	318	412	596	460	356	471
<b>Urban Environment</b>	325	272	199	202	245	150	198	190
<b>Total [Note 1]</b>	1619	1601	1625	1666	1685	1779	2040	1865
<b>Number of Audits</b>	215	181	181	193	229	205	197	222

**Note 1 : The totals are affected by factors such as the number of vacancies, level of maternity leave, sick leave, etc.**

## Appendix B

### Audit Plan April 2009 to March 2010

DIRECTORATE	DAYS
<b>ADULTS, COMMUNITY &amp; HOUSING SERVICES</b>	<b>423</b>
Contract Management/Control	
Housing Repairs	
Asset Management Strategy	
Stores/materials purchase	
Adult Education (Central Review)	
Castle & Priory Neighbourhood Learning Centre	
Supporting People Grant Claim	
Property Sales	
Rent Collection & Setting Review	
Archives Service	
Housebound Service	
Brierley Hill Locality	
Application Reviews	
Asylum Seekers	
Home Assistance Scheme including procurement	
SWIFT (Social Services)	
Directorate Performance /Risk Management	
Family Placements	
The Mere Centre	
Amblecote Centre	
Lower Gornal SEC	
Glebelands	
Woodside Day Centre	
Transport - Internal	
OT Staff Assessment	
Dudley District Office	
Hospitals Assessment & Care Management	
Halesowen District Office	
Stourbridge District Office	
Sedgley District Office	
Brierley Hill District Office	
Transforming Social Care	
Commissioning	
Abacus (Managed audit)	
Personnel & Payroll Procedures	
Care Management South Team 1 (Halesowen)	
Care Management North Team 3 (Dudley)	
Dudley District Office	
Care Management North Team 1 (Dudley)	

Care Management North Team 2 (Dudley)	
Assessment North Team 2 (Dudley)	
Assessment South Team 2 (Brierley Hill)	
Care Management South Team 2 (Brierley Hill)	
Halesowen District Office	
Brierley Hill District Office	
Children with Disabilities	
Assessment North Team 1 (Dudley)	
Assessment South Team 1 (Halesowen)	
Care Management South Team 1 (Halesowen)	
FAST application review	
<b>CHILDRENS SERVICES</b>	<b>229</b>
Home to School Transport	
SEN Team	
Statemented Pupil Support	
Out of Borough Placements	
Childrens Services ICT applications	
Dudley Performing Arts	
Nurseries	
EMAS Team	
Netherton Arts Centre	
Arts Service	
North Area Youth	
Youth & Community Service Coordination	
Brierley Hill Area Youth	
Stourbridge Area Youth	
Resources management	
Equalities Team	
Children's Trust	
Centris application review	
School Contract (non-DPC) Audits	
Gigmill Kitchen	
Lutley Kitchen	
Bishop Milner Kitchen	
Castle High Kitchen	
Caslon Kitchen	
The Wordsley Kitchen	
Kitchens	
Catering - Finance	
Civic Catering	
Catering - Personnel	
Catering - Training & Quality Assurance	
Dudley Grid for Learning	
Directorate Personnel / Payroll	
Union Duties	

Admissions	
<b>CHIEF EXECUTIVE</b>	<b>305</b>
Application Reviews	
Building Security/Staff Security	
Directorate Payroll & Personnel Procedures	
Emergency Planning	
Sustainability Agenda	
Corporate Governance	
Partnership Governance	
Value for money	
Corporate Grants	
Directorate Performance/Risk Management	
Follow Up of minimal and nil level assurance reports	
Corporate Data Quality	
Annual Governance Statement	
Use of Resources	
Ethics- Staff & Members	
<b>EXTERNAL ORGANISATIONS</b>	<b>34</b>
Black Country Connexions	
<b>FINANCE &amp; ICT</b>	<b>351</b>
Bank reconciliation	
Control Accounts Review	
Treasury Review	
Leasing	
Financial Regulations/FPM	
Budget preparation/monitoring	
Directorate Performance/Risk Management	
VAT	
Housing Benefits	
Free School Meals (Benefits Section)	
Dudley Council Plus	
Directorate Procurement	
Data mining and matching [CAATS]	
Application Review	
Agresso all modules	
Creditors System Review	
Debtors system	
Print Services	
Payroll Review	
Business Rates Review	
Council tax	
Revenues Exchequer Team Review	
Telecommunications	

Third Party Management	
Legislative Compliance - Freedom of Information Act	
Information Management	
Internal Network Infrastructure	
Electronic Mail and Internet Access	
End User Computing	
Virus Protection	
<b>HONORARY AUDITS</b>	<b>31</b>
Earls High Trust	
Stevens Trust	
Astley Burf Trust	
Dudley Council Voluntary Services	
Dudley Arts Council	
Jigsaw Youth Theatre	
Windsor School Sports Coordinator Programme	
Coseley School Sports Coordinator Programme	
Ellowes Hall School Sports Coordinator Programme	
<b>LAW &amp; PROPERTY</b>	<b>113</b>
Admin Support Services & Human Resources M'ment	
Asset Management Plan	
Market	
Democratic Services	
Debt recovery	
RIPA	
Partnering Arrangements	
Electrical/mechanical - all contract areas	
Application Review	
Directorate Procurement	
Crown centre	
<b>URBAN ENVIRONMENT</b>	<b>198</b>
Broadfield House	
Central Arts & Activities Management	
Dudley Town Hall	
Cornbow Centre	
Stourbridge Town Hall	
Brierley Hill Civic Hall	
Gornal Wood Crematorium & Cemeteries	
Stourbridge Crematorium & Cemeteries	
Floral Decorations	
Section 106 Administration	
Planning Enforcement & TPO's	
Planning Policy	
Application Review	



Landscapes - Pre-Contract	
Economic Regeneration	
Highways Partnering Contracts Administration	
Structures - all contract stages	
Future Skills - Dudley	
Arboriculture	
Pelican Crossings/Traffic Signals contract management	
Operation of Stores/Purchase of supplies	
Business Support	
Directorate Procurement	
<b>SCHOOLS [INCL FMS]</b>	<b>356</b>
Annual Assessment - Primary Phase 1	
External Assessment - Secondary Schools	
Kingswinford Foundation	
Redhill	
Coseley School and Sports College	
Earls	
Oldswinford Hospital	
Pedmore Technology College and Community School	
High Arcal Foundation	
Ridgewood	
Pensnett High	
Thorns School & Community College	
Hillcrest	
Windsor Foundation	
Dormston	
Leasowes	
Bishop Milner R.C.	
The Wordsley	
Holly Hall Foundation	
Summerhill	
Castle High	
Ellowes Hall Foundation	
Crestwood	
<b>TOTAL</b>	<b>2040</b>