

## TRAFFORD COUNCIL

**Report to:** Accounts and Audit Committee  
**Date:** 28 March 2017  
**Report for:** Approval  
**Report of:** Audit and Assurance Manager

### Report Title

**Audit and Assurance Service – Internal Audit Operational Plan 2017/18**

### Summary

**The purpose of the report is to provide, at a high level, the proposed Internal Audit Operational Plan for 2017/18.**

### Recommendation

**The Accounts and Audit Committee is asked to approve the 2017/18 Internal Audit Plan.**

### Contact person for access to background papers and further information:

**Name:** Mark Foster – Audit and Assurance Manager  
**Extension:** 1323

### **Background Papers:**

None

# **Internal Audit Operational Plan 2017/18 – Audit and Assurance Service**

## **1. Introduction**

- 1.1 The 2017/18 Internal Audit Operational Plan identifies the work to be undertaken by the Audit and Assurance Service during the year. This report describes its method of compilation and presents, at a high level, the 2017/18 Plan for approval.

## **2. Background**

- 2.1 Each year the Audit and Assurance Service produces a report setting out its annual plan for approval by the Corporate Leadership Team (CLT) and the Accounts and Audit Committee. Subsequent updates are then provided to CLT and the Accounts and Audit Committee through the year highlighting work undertaken and progress against key areas of the plan. Actual work undertaken during the year against work planned is set out in the Annual Head of Internal Audit Report.
- 2.2 In accordance with the Accounts and Audit Regulations 2015, it is a requirement that the Council “must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.” The Audit and Assurance Service must undertake its work in accordance with the Public Sector Internal Audit Standards which have been in place since April 2013.
- 2.3 The Service’s approach to undertaking internal audit work is set out in the Internal Audit Charter and Strategy documents. These were previously approved by CLT and the Accounts and Audit Committee in March 2016 and revised versions have been provided for approval in March 2017.

## **3. Compilation of the Internal Audit Plan**

- 3.1 The Operational Internal Audit Plan is produced to take into account coverage of risks and associated controls in place. An important consideration is that the plan should include good coverage across Council services and systems. Ongoing financial challenges faced by the Council highlight the need to ensure that effective governance and internal control arrangements are in place, risks are managed and value for money is sought.
- 3.2 A number of factors are taken into account in compiling the plan based on both statutory obligations, the objectives of the Council and an assessment of risks. Factors such as materiality, business risks, inherent risks and time since the area was last reviewed are taken into account. Consideration is given to the Council’s six corporate objectives:  
- Low Council Tax and Value for Money

- Economic Growth and Development
- Safe Place to Live – Fighting Crime
- Services Focussed on the most Vulnerable People
- Excellence in Education
- Reshaping Trafford Council.

There is audit coverage across each of the Council's Corporate Directorates to reflect the various objectives and also a number of authority-wide audits to cover various strategic risks in relation to achievement of these objectives.

- 3.3 New developments such as changes in procedures, systems etc. are considered in planning work. The plan includes audit reviews of areas where new systems and procedures are being introduced to evaluate the effectiveness of controls in place.
- 3.4 The Corporate Directorates provide input to the plan through liaison with the Audit and Assurance Service throughout the year and through information provided such as through risk registers, action plans, self-assessments and control / governance issues raised.
- 3.5 The Audit and Assurance Service has a number of obligations to take into account in producing the plan. In 2017/18, this includes the need to set aside time for the Council to meet the requirements of the Accounts and Audit Regulations by facilitating the production of the 2016/17 Authority's Annual Governance Statement (to be approved by September 2017). The Service also co-ordinates the update of the Council's Strategic Risk Register.
- 3.6. Plans take into account other audit, assurance or development work being undertaken in particular areas. This includes work by the External Auditor and reviews by other external bodies (which will include considering findings from the Information Commissioners Office Audit to be reported in March 2017). Accounts will be taken of other internal reviews which may relate, for instance, to work by Scrutiny and through the Transformation programme.
- 3.7 Time is allocated to follow up on control issues previously raised in 2016/17, including previous audit review work, to assess progress in implementing action plans, particularly where significant areas for improvement in controls have been identified. The plan highlights a number of follow up audits.
- 3.8 A specific category of audit time is also included to reflect the requirement for internal audit checks of information supporting particular grant claims.
- 3.9 The amount of time available to undertake the annual plan is identified, and individual areas of work selected taking into account the above factors. A contingency is also held to allow for unforeseen circumstances.

- 3.10 For reporting and monitoring purposes the plan is divided into a number of categories. Whilst the plan is divided into these categories it should be noted that there are significant areas of overlap between them and assurance gathered from one source could apply to another. For instance, whilst there is a block of time allocated to procurement and value for money, such issues may also be covered to some degree within other areas of the plan such as reviews of fundamental systems; anti-fraud and corruption work and reviews of schools and other establishments.
- 3.11 There are a variety of activities undertaken to fulfil the plan and in addition to conducting internal audit reviews which result in the issuing of audit reports, work may also include providing input to project / working groups, providing guidance and advice, and providing input to council policies and procedures. The Service also facilitates the production of a number of corporate reports presented to the Accounts and Audit Committee.
- 3.12 The report does not include reference to all work to be undertaken during the year. As issues are raised or areas of risk are identified on an ongoing basis, other areas are included through the year and existing plans reviewed. For some areas, further elements of planning may take place during the year and therefore detailed plans are not available at the commencement of the year. Quarterly updates to CLT and the Accounts and Audit Committee will include reference to new work included in the work plan through the year. The plan is flexible and during the year adjustments may be made to accommodate any changes in the control environment and to consider emergent risks. Supporting the plan set out in this report are further plans detailing work allocated to individual staff.
- 3.13 Time is set aside for the completion of reviews which had been included as part of the 2016/17 Plan. Work completed or in progress in 2016/17 and work carried forward to 2017/18 will be reflected in the Annual Head of Internal Audit Report to be issued by June 2017.
- 3.14 Assumptions in respect of available audit days are considered to provide the total planned days. For 2017/18, there are 1100 available days. Total staffing expected resources to deliver the plan amounts to 6.83 full time equivalent staff plus resources of 50 audit days purchased from Salford Internal Audit Services to undertake ICT audit work.
- 3.15 In addition to the 1100 planned days shown, it should be noted that further time is allocated for a number of other activities undertaken that are not reflected in the analysis as they are not attributable to one particular category of work but support the audit process. These include support to the Accounts and Audit Committee, liaison with the External Auditor (Grant Thornton), development of audit systems, procedures and guidance, networking with other North West Internal Audit groups to share good practice, information gathering in support of the production of the audit

plan etc. Separate additional time allocations are given to individual staff to undertake these activities.

#### **4. Reporting / Performance Monitoring**

- 4.1 Through the year, progress updates will be provided to CLT and the Accounts and Audit Committee (through quarterly updates and the Annual Head of Internal Audit Report) which will refer to details of performance, impact of audit and progress against the plan. This will include details of:
- Actual chargeable audit days against planned days allocated reported on a quarterly and annual basis.
  - Number of audit opinion reports issued against that planned for the year (Target of 40 audit opinion reports to be issued in 2017/18, with any remaining opinion reports to be issued in quarter one of the following year (See Appendix 2 for planned reports to be issued).
  - The impact of audit recommendations made in terms of both initial acceptance and also implementation (the latter identified through follow up audit work).
  - A summary of feedback from managers in respect of client surveys, which is detailed in the Annual Head of Internal Audit Report.
- 4.2 Where reviews or other key areas identified in the 2017/18 Plan are not undertaken as scheduled, this will be reported in subsequent updates including the 2017/18 Annual Head of Internal Audit Report.
- 4.3 Updates through the year will also include commentary on Audit resources available if there are issues that may impact on completion of the plan.

#### **5. Internal Audit Plan Coverage 2017/18**

- 5.1 The plan is compiled to ensure coverage across a wide and diverse range of services, systems and thematic areas of coverage. Each of the main categories of work is described in the paragraphs below.

In Appendix 1, there is a summary of the planned work and an estimated time is allocated to each category. This includes an estimate of time profiled by quarter.

In Appendix 2, there is a listing of audit opinion reports to be issued. This also indicates reviews detailed in the plan where work will be undertaken in quarter one of 2017/18. There is also an explanation of the audit opinion levels.

#### **5.2 Fundamental Systems**

These are the core financial systems that provide key inputs for the production of the material balances in the Council's accounts.

Previous assurance obtained in earlier audits will be taken into account in planning the level of audit coverage within individual reviews.

Coverage will include review of the following systems during the year:

- Review carried forward from 2016/17 as rescheduled in agreement with Exchequer Services.
  - Accounts Receivable/Debt Recovery.
- Review completed on annual basis, covering the financial year 2016/17
  - Treasury Management.
- Financial systems subject to regular review which will include coverage of activity in both 2016/17 and part of 2017/18 up to the period of the review.
  - Payroll
  - Council tax
  - Business Rates
  - Housing Benefit/Council Tax reduction
  - Income Control
  - Accounts Payable
- Audit reviews of systems in relation to Adult Care and Children's Services:
  - Adult Social Care Liquid Logic/ContrOCC system (to include a follow up of recommendations made in the final audit report issued in January 2017).
  - Direct Payments (firstly to include issue of a report in relation to Direct payments relating to Children's Services and later in the year a follow up review in respect of the internal audit report issued in January 2017 in relation to Adult Services).

A final audit report is due to be issued in March 2017 in respect of Budgetary Control procedures across the Council. Further planned audit work in this area will be considered in liaison with Finance Services.

Time will also be set aside for other issues and developments arising where further audit input or advice may be appropriate. This will include time for Audit to work with Finance and other Services in considering future arrangements for the existing main accounting system, including its possible replacement.

### 5.3 **Governance**

Audit and Assurance will lead on reviewing and collating supporting evidence and assurances for the completion and approval of the Council's 2016/17 Annual Governance Statement (AGS) by September 2017. This will be completed using the CIPFA/SOLACE Governance framework and

guidance. (A report providing background and the timetable for the 2016/17 AGS was presented to CLT and the Accounts and Audit Committee in February 2017).

It is planned that Legal and Democratic Services will provide a lead in gathering assurance to produce the 2017/18 AGS. Audit is working with Legal and Democratic Services to support this change.

In respect of ethical governance, the Service will work with Legal and Democratic Services to consider the adequacy and effectiveness of existing procedures and guidance in the Council in respect of the declaration of interests, gifts and hospitality.

Audit will also liaise with counterparts in other Greater Manchester (GM) Councils and will set time aside for any assurance required to be provided in relation to GM wide issues.

Time will be set aside in the plan to provide internal audit input to other governance issues across the Council. This may take the form of sharing guidance or providing comment / advice in respect of ongoing developments which may also inform future planned audit work. This will include Audit liaising with service areas, for instance, in respect of significant developments through the year relating to governance issues both within the Council and through partnerships.

#### **5.4 Risk Management**

Time is allocated to review existing risk management arrangements across the Council and ensuring processes are evidenced. This will include continuing to facilitate the ongoing update of the strategic risk register. This provides assurance in respect of the highest strategic risks faced by the Authority in terms of the management and ongoing monitoring of those risks. As part of this, there will also be ongoing liaison with individual Corporate Directorates to share good practice and gather assurance regarding risks at a Directorate level.

The Service maintains corporate risk management guidance, available on the Council's intranet, which where applicable will continue to be updated through the year.

#### **5.5 Anti-Fraud & Corruption**

Cases of suspected internal fraud or theft referred to the Audit and Assurance Service will be subject to investigation during the year.

The Service will also continue to support the National Fraud Initiative (NFI) in co-ordinating the Council's approach in liaison with other Services to investigate data matches and reporting on progress. Outcomes will be reflected in Audit and Assurance updates including the 2017/18 Head of Internal Audit Annual Report.

Further to the issuing of the updated Anti-Fraud and Corruption Strategy and Policy in March 2017, Audit and Assurance will work with other relevant services within Transformation and Resources to consider any updates required to individual policies and guidance supporting the Strategy.

## 5.6 **Procurement / Contracts / Value for Money**

Audit and Assurance undertakes reviews of procurement arrangements and processes to ensure the Council strives to achieve value for money and undertakes procurement in accordance with relevant legislation and the Contract Procedure Rules.

As part of internal audit planning, the Service continues to liaise with the STAR Shared Procurement Service and Internal Audit sections of the partner authorities (Stockport and Rochdale Councils). Audit plans continue to be co-ordinated with relevant findings shared to ensure an efficient audit process. In 2017/18, it has been proposed that the three authorities will co-ordinate review work to include the following areas, with the detailed scope to be agreed during the year:

- Procedures for maintaining the Contracts Register by STAR which have been developed since its formation (Rochdale Council to lead).
- Given the Contract Procedure Rules (CPRs) are now formally in place across all three authorities, review to include adherence to the CPRs in practice (Stockport Council to lead).
- An audit covering Social Value in procurement (in accordance with the Public Services Social Value Act 2012), incorporating follow up of the previous audit undertaken and monitoring in place across contracts within the authorities.(Trafford Council to lead).
- Procedures in relation to the financial vetting of firms tendering for contracts across the authorities which have been established by STAR (Trafford Council to lead).
- A review of the STAR Procurement Quality Management System, which has been recently established, incorporating key procedures and systems operated by the Shared Service.

Timing of the above reviews will be confirmed by the respective authorities during the early part of the year.

It should be noted that as part of the work undertaken for the Accounts Payable audit (5.2), this will include coverage of systems, procedures and controls around the use of Procurement Cards across Trafford Council.

Audit will continue to work with the EGEI Directorate to assist in monitoring levels of income due and received from the lease arrangement for Altrincham Market.

Time will also be set aside for any work carried forward from the previous year. This includes an audit review of the One Trafford Partnership covering governance and performance monitoring arrangements established by the Council with its partnership with Amey. Account will be taken of any findings from the Scrutiny review of this area.

## **5.7 Information, Communications and Technology (ICT)**

The audit of ICT covers the review of procedures, processes and controls across a range of computer systems and technical solutions. Salford Internal Audit Services undertake a significant part of this work and also contribute to audit planning in respect of this area. The following audit reviews have been planned to date:

- Follow up of progress following the audit review undertaken in 2016/17 of the Council's IT Change Management processes.
- A review of the Council's controls in relation to software licensing.
- Review of cyber security as considered on an annual basis as an ongoing strategic risk.
- An IT application review of the HR/Payroll system, iTrent, is planned, which is the system used as part of the new shared service arrangement with Greater Manchester Police to jointly deliver transactional HR and payroll services,
- As agreed following the issue of the previous report, there will be further follow up of controls in relation to findings originally raised by the External Auditors in respect of access controls for the SAP financial system.

Time will also be set aside to review progress in managing risks relating to IT Disaster Recovery and Business Continuity which are currently being reviewed by ICT.

There will also be time to work to support ICT with the implementation of Payment Card Industry (PCI) standards.

This block of work may also cover, in liaison with Human Resources and other services, investigating cases of misuse of the Council's ICT facilities, ensuring members and staff are aware of responsibilities such as in adhering to the council's Acceptable Use Policy.

Work also encompasses wider information governance issues. As completed in previous years, Audit will work in liaison with the Information Governance (IG) team to provide an independent review of the assessment completed for the NHS IG Toolkit by the IG team prior to its submission.

The Information Commissioner's Office (ICO) carried out an audit of the Council in January 2017 and will be issuing a final report in March 2017. Time is set aside in the plan to consider priority areas arising from the audit report. This will include consideration of further additions to the Audit Plan taking into account priorities arising from the ICO Audit in respect of data protection issues as well as continuing to contribute to developments in Information Governance across the Council (Also see 5.11). Any further work added to the plan will be reported in the regular Audit and Assurance update reports through the year.

## **5.8 Schools**

As part of the Schools Financial Value Standard, schools are required to submit a declaration to show adherence to the Standard by 31 March each year. Information submitted is utilised by Audit and Assurance to assist in planning and undertaking school audits.

Based on a risk assessment, taking into account the information above and from previous work undertaken at each school and liaison with the CFW Directorate and Finance Services, it is planned that at least 15 school audits will be undertaken. Audit reports will be issued as part of each audit review. Any audit reviews where a less than adequate audit opinion is issued will be followed up with a further audit visit either later in the year or in the following financial year.

In addition, Audit will continue to liaise with relevant services within CFW and Financial Management in relation to schools related issues including sharing findings and considering risk areas and future planned audit coverage.

## **5.9 Assurance – Other Key Business Risks**

Time is allocated to reviewing risk areas derived from a number of sources not covered within other categories of the plan, including directors / senior managers' recommendations, risk registers and areas identified by the Audit and Assurance Service. Reviews may cover individual services, establishments, functions and authority wide issues and risks to ensure a broad coverage of audit work across the Council.

For service/establishment related reviews, risks reviewed may encompass a number of areas of control such as procedures and responsibilities, adherence to legislation, budgetary control, Payroll/HR related processes, risk management, security (of cash, assets and data), expenditure; income collection and recording, performance monitoring and other areas specific to the objectives of the service under review.

Audit reviews are included in the plan as follows (with the relevant Corporate Directorate(s) shown in brackets:

- Establishment reviews:
  - Flixton House (T&R) - This establishment has recently transferred back from Trafford Leisure CIC to be operated by the Council and the review will include coverage in relation to income and expenditure control.
  - Altrincham Crematorium (T&R) - coverage to include follow up of control issues raised in previous audit work.
  - Old Trafford Library (T&R) - A new library is opening in 2017/18 in a building shared with other organisations and it was agreed with the Service that Audit will review controls and procedures established.
  - Partington Children's Centre (CFW) - The Council's other Children's Centre (Stretford) was audited in the previous year and this review will cover a range of areas as described above for establishment reviews.
  
- Service audit reviews in relation to:
  - Strategic Growth Team (EGEI) - Service review to include coverage of procedures, responsibilities and performance monitoring against service objectives.
  - Music Service (CFW) - Service review including a focus on income procedures.
  
- Other reviews:
  - Trafford Town Hall Catering - To cover procedures and controls for income collection (T&R)
  - Client Finances system (T&R/CFW) - Review of the new system being introduced in 2017/18 where the Council acts in the capacity of an Appointee or Deputy to manage the finances of vulnerable people
  - Reviews within Children's Services focussing on controls in relation to payment processes:
    - Foster care payments (CFW)
    - Section 17 Payments (CFW) - payments relating to purposes as set out in Section 17 of the Children's Act in relation to children in need and their families.

For the above reviews, Audit and Assurance will contact individual establishments / services to discuss and agree the detailed scope of the reviews prior to any work being undertaken.

Follow up work in respect of previous audit work undertaken in 2016/17 will be completed. This will include follow up audit reviews of:

- Out of Borough School Placements (CFW) - To include follow up of recommendations made in the final audit report issued in February 2017.

- Coppice Avenue Library (T&R) – To include follow up of recommendations made in the final audit report issued in August 2016.

A number of other audit reviews completed in 2016/17 will be followed up. Further audits are not planned but managers will be asked to provide updates on progress made with previously agreed recommendations. These include the following:

- Sale Waterside Arts Centre (T&R) – Review of stock control processes.
- Stretford Library (T&R) – Establishment audit review.
- Parking Enforcement (EGEI) – Review of contract monitoring arrangements.
- Section 106 Agreements / Community Infrastructure Levy (EGEI) – Review of systems and controls in relation to the receipt of income or other benefits in kind which are used to fund infrastructure to mitigate the effects of the development or improve facilities for the community.
- Housing Waiting List (EGEI) – A review undertaken of the administration of the Housing Waiting List administered by Housing Options Service Trafford (HOST).
- Home to School Transport (CFW) – A review of procedures for administering and monitoring the provision of this service.
- Stretford Children’s Centre (CFW) – Establishment review.

In agreement with respective Directorates, some reviews have been rescheduled from 2016/17 to be included in the 2017/18 Plan. These are as follows:

- Corporate Health and Safety (T&R) - Review of this area of strategic risk covering corporate processes in place.
- Let Estates (EGEI) - follow up of previous audit report and review of new systems established for administering the Council’s Let Estates through the One Trafford Partnership with Amey.
- Planning Enforcement (EGEI) – Service review covering systems, procedures and controls to achieve the service objectives.

There will also be time allocated for the completion of any other work in progress as at the end of March 2017. This will be reflected in the 2016/17 Annual Head of Internal Audit Report. This will include work in relation to:

- Obtaining an update on progress made in relation to previous audit recommendations on Business Continuity (which will be taken into account for any update on this strategic risk to be included in the Council’s 2016/17 Annual Governance Statement).

- Completion of follow up reviews of the following audits where a final report was previously issued and recommendations made were being followed up. This relates to systems and controls in relation to the following functions:
  - Taxi Licensing (EGEI)
  - Schools Catering (T&R)

There will also be time set aside to review other potential risk areas as raised through 2017/18.

#### **5.10 Data Quality/Grant Claims**

A block of time is included in the plan for review of grant claims and other data quality checks made through the year where the internal audit function is required as part of the review/sign off process.

Time allocated includes the Service continuing to provide a role in providing verification checks on claims made as part of the Council's Stronger Families programme. There will also be a requirement for Audit input to sign off the 2016/17 grant claim in respect of the Disabled Facilities Grant.

Audit is notified of grant claims and other returns to be checked at various stages during the year and work actually completed will be reported in Audit updates through the year and the in the Annual Head of Internal Audit Report.

#### **5.11 Service Advice / Project support**

The Audit and Assurance Service provides advice across the Council on governance and control issues. In addition to areas listed elsewhere in this report, time is set aside for the provision of ongoing service advice. This may take the form of responses to ad hoc queries, issuing guidance, and liaison with services.

The Audit and Assurance intranet site includes information on the role of Audit and associated guidance for services in respect of risk management, governance and anti-fraud and corruption. This will be updated where appropriate through the year.

Audit and Assurance will continue to contribute to the work of the Information Security Governance Board through the year.

Time will be set aside to contribute to projects relating to the Council's Transformation programme. This is planned to include contributing to the development of the Council's digital strategy and action plan.

Further to work completed in 2016/17, Audit will also include time to work with the Trafford Leisure Community Interest Company (CIC) in respect of advice on its financial controls, including controls relating to cash.

Account will always be taken of the primary objective of Internal Audit to complete assurance work and approval would be sought from CLT and the Accounts and Audit Committee before any significant unplanned consultancy work is agreed which would impact on the Internal Audit Plan.

2017/18 Operational Audit Plan – Allocation in Days

Appendix 1

<b>Category</b>	<b>Details</b>	<b>Impact of Audit and Assurance's work</b>	<b>Planned Days</b> (Profiled by each quarter of year – Q1/Q2/Q3/Q4)
Fundamental Systems	<p>Coverage, includes audits of fundamental financial systems reviews as described in section 5.2:</p> <p>Advice in relation to consideration of new systems.</p> <p>Audit Opinion Reports to be issued as listed in Appendix 2.</p>	<p>Assurance on the operation of material business critical systems. Improvements in control environment supporting the achievement of corporate priorities, effective financial management, good governance and supporting the Council's position in respect of its external audit review.</p>	<p><b>230</b> (40/65/65/60)</p>
Governance	<p>Coverage as described in section 5.3:</p> <p>Corporate Governance review work / collation of supporting evidence and production of the 2016/17 Annual Governance Statement.</p> <p>Ethical governance – work with Legal and Democratic Services to review procedures and guidance in respect of declaring interests, gifts and hospitality.</p> <p>Advice / assurance in respect of governance issues including partnership governance issues.</p>	<p>Provision of assurance on the effectiveness of governance arrangements in place within the Council to support the achievement of Council and Community objectives and priorities.</p> <p>The Annual Governance Statement provides assurance to the public on the effectiveness of governance arrangements and enables the establishment of corporate improvement priorities.</p>	<p><b>40</b> (18/10/5/7)</p>

<b>Corporate Risk Management</b>	<p>Coverage as described in section 5.4:</p> <p>Facilitating the updating of the Council's strategic risk register.</p> <p>Actions to support the Council's Risk Management Strategy including provision of guidance.</p>	<p>Assisting the Council to effectively manage risks leading to improvements in service delivery, achievement of objectives and improvements in the allocation of resources. The work also supports the Council in evidencing good practice undertaken when subject to inspection and review.</p>	<p><b>25</b> (5/7/5/8)</p>
<b>Anti-Fraud &amp; Corruption</b>	<p>Coverage as described in section 5.5:</p> <p>Investigation of referred cases of suspected theft, fraud or corruption.</p> <p>Co-ordinate the Council's activity in respect of the National Fraud Initiative ensuring work completed across services in investigating data matches is progressed in accordance with Cabinet Office requirements.</p> <p>Other work to support the Ant-Fraud and Corruption Strategy, including where applicable working with other relevant services to review existing policies and guidance supporting the overarching strategy.</p>	<p>Contributes to the maintenance of high standards of conduct and governance. Provides assurance on the management of the risks of fraud and corruption. Advice to services on the improvement of controls in place to reduce potential risks, e.g. financial loss and reputational damage.</p>	<p><b>100</b> (25/25/25/25)</p>
<b>Procurement / Contracts / Value for money</b>	<p>Coverage as described in section 5.6:</p> <p>Review of procurement / contract management arrangements including systems in place and associated arrangements to secure value for money (Work will include liaison with the STAR Procurement Service and partner authority auditors).</p>	<p>Assurance and challenge on the adequacy of procurement arrangements. Contributes to improvements in service delivery and the achievement of value for money for the Council.</p>	<p><b>80</b> (10/20/20/30)</p>

	<b>Audit Opinion Reports to be issued as listed in Appendix 2.</b>		
<b>Information, Communications and Technology</b>	<p>Coverage as described in section 5.7:</p> <p>ICT Audit reviews and advice conducted by Salford Internal Audit Services.</p> <p>ICT related investigations where applicable.</p> <p>Information Governance – review of the NHS IG Toolkit. Also support to the Council in following up issues raised through the ICO Audit.</p> <p>Audit Opinion Reports to be issued as listed in Appendix 2.</p>	<p>Specialised technical advice and assurance on the adequacy of controls surrounding ICT systems.</p> <p>Assurance to managers who place significant reliance on ICT systems for the delivery of services.</p> <p>Contribution to the further development of the Council’s information governance arrangements.</p>	<p><b>70</b> (10/18/20/22)</p>
<b>Schools</b>	<p>Coverage as described in section 5.8:</p> <p>Providing assurance on the control environment within schools, supporting schools in ensuring awareness of requirements within the DfE Schools’ Financial Value Standard.</p> <p>Audit reviews of schools – at least 15 audit opinion reports to be issued during the year.</p> <p>Planned audits to date are listed in Appendix 2.</p>	<p>Supports improvements in standards of governance and control in schools and supports process to enable achievement of standards set by the DfE.</p>	<p><b>170</b> (50/30/45/45)</p>

<b>Assurance – Other Key Business Risks</b>	<p>Coverage as described in section 5.9:</p> <p>Audits selected on the basis of risk from a number of sources including senior managers' recommendations, risk registers and internal audit risk assessments. Reviews include authority wide issues and areas relating to individual services, establishments and functions. Includes:</p> <ul style="list-style-type: none"> <li>- Audit reviews</li> <li>- Follow up reviews including further audits and gaining assurance from service updates.</li> </ul> <p>Audit Opinion Reports to be issued as listed in Appendix 2.</p>	<p>This work enables Internal Audit to provide a breadth of assurance across the Council that there are adequate governance and control arrangements in place, that policies and procedures are being implemented, that risks are being managed, and outcomes delivered.</p>	<p><b>230</b> (40/50/50/90)</p>
<b>Grant claims checks / Data Quality</b>	<p>Coverage as described in section 5.10:</p> <p>Internal audit checks of grant claims / statutory returns as required:</p> <p>Audit and Assurance to be advised through the year of grant claims and other returns to be checked/signed off.</p>	<p>Ensuring the Council adheres to requirements in submitting relevant grant claims where Internal Audit input is required, providing assurance regarding the accuracy of data and supporting information reviewed.</p>	<p><b>35</b> (5/10/10/10)</p>
<b>Service Advice / Projects</b>	<p>Coverage as described in section 5.11:</p> <p>General advice, both corporately and across individual service areas. Support and advice to the organisation in contributing to working groups and projects in relation to governance, risk and control issues. To Include:</p> <ul style="list-style-type: none"> <li>- contributing to work of the Information Security Governance Board;</li> </ul>	<p>Support to services, groups, project teams etc. around the relevance and application of corporate policies, procedure rules and good governance arrangements.</p> <p>Contributing to the delivery of effective project outcomes including input to the consideration of key risks and appropriate controls considered in the development of new systems, functions and procedures.</p>	<p><b>60</b> (15/15/15/15)</p>

	- contributing to the development of the Digital Strategy; - Advice to Trafford Leisure CIC on financial controls.		
		<b>Total Allocated Days</b>	<b>1040</b> (218/250/260/312)
		<b>Contingency (To cover additional / unexpected work and any unexpected reductions in available staff days).</b>	<b>60</b>
		<b>Total Planned Days</b>	<b>1100</b>
		<b>Available Days</b>	<b>1100</b>
		<b>Surplus/Deficit for Year</b>	<b>0</b>

## Appendix 2

### 2017/18 Internal Audit Plan – Audit Opinion Reports

<b>Category</b>	<b>Audit Opinion Reports</b>
<b>Fundamental Systems</b>	<ul style="list-style-type: none"> <li>- Accounts Receivable &amp; Debt Recovery (T&amp;R) *</li> <li>- Treasury Management (T&amp;R) *</li> <li>- Council Tax (T&amp;R) *</li>   <li>- Payroll (T&amp;R)</li> <li>- Income Control (T&amp;R)</li> <li>- NDR (T&amp;R)</li> <li>- Benefits/Council Tax reduction (T&amp;R)</li> <li>- Accounts Payable (T&amp;R)</li> <li>- Liquid Logic/ContrOCC system (CFW/T&amp;R)</li> <li>- Direct Payments (CFW)</li> </ul>
<b>Procurement / Contracts / Value for money</b>	<ul style="list-style-type: none"> <li>- One Trafford Partnership (EGEI) *</li>   <li>- Contracts Register (STAR Authorities – Rochdale lead) (T&amp;R)</li> <li>- Financial vetting of firms (STAR Authorities – Trafford lead) (T&amp;R)</li> <li>- STAR Quality Management System (STAR Authorities – Stockport lead) (T&amp;R)</li> <li>- Social Value in Procurement (STAR authorities – Trafford lead) (T&amp;R/Authority Wide)</li> <li>- Contract Procedure Rules (STAR Authorities – Stockport lead) (T&amp;R/Authority-Wide)</li> </ul>
<b>ICT Audit</b>	<ul style="list-style-type: none"> <li>- SAP financial system access controls (T&amp;R) *</li>   <li>- IT Change Management follow-up audit (T&amp;R)</li> <li>- Software Licensing (T&amp;R)</li> <li>- Cyber Security (T&amp;R)</li> <li>- ITrent System IT Application Controls (T&amp;R)</li> </ul>
<b>Schools</b>	<p>15 Opinion Reports to be issued. The full list of audits to be confirmed through 2017/18 but to include reports to be issued for:</p> <ul style="list-style-type: none"> <li>- Barton Clough Primary School*</li> </ul>

	<ul style="list-style-type: none"> <li>- Bollin Primary School *</li> <li>- Wellfield Junior School *</li> <li>- Moss Park Infant School *</li>   <li>- Trafford High School</li> </ul>
<b>Assurance – Other Key Business Risks</b>	<ul style="list-style-type: none"> <li>- Corporate Health and Safety (T&amp;R/Authority-wide) *</li> <li>- Schools Catering – follow up (T&amp;R) *</li> <li>- Coppice Avenue Library – follow up (T&amp;R) *</li> <li>- Let Estates (EGEI) *</li> <li>- Taxi Licensing – follow up (EGEI) *</li>   <li>- Flixton House (T&amp;R)</li> <li>- Altrincham Crematorium (T&amp;R)</li> <li>- Old Trafford Library (T&amp;R)</li> <li>- Trafford Town Hall - Catering Income (T&amp;R)</li> <li>- Planning Enforcement (EGEI)</li> <li>- Strategic Growth Team (EGEI)</li> <li>- Partington Children’s Centre (CFW)</li> <li>- Music Service (CFW)</li> <li>- Client Finances system (T&amp;R/CFW)</li> <li>- Foster Care payments (CFW)</li> <li>- Section 17 Payments – Children (CFW)</li> <li>- Out of Borough School Placements – follow up (CFW)</li> </ul>

\*Denotes reviews being undertaken in Quarter One of 2017/18. Planned completion of work in remainder of the year to be advised in subsequent quarterly Audit and Assurance update reports.

## Audit Opinion Levels

For the reviews listed in Appendix 2, an audit report will be issued and an audit opinion will be provided. Opinion levels are set as follows:

Audit Opinion Level	Description
High	Very good standard of control. All high risk areas are adequately controlled.
Medium/High	Good standard of control. A small number of high risk areas require control improvements.
Medium	Adequate standards of control. Control improvements are required for a number of high risk areas.
Low/Medium	Marginal standard of control. Some business risks are controlled effectively. Control improvements are required for a significant number of high risk areas.
Low	Unsatisfactory standard of control. Controls in place to address business risks are not adequate.