

<b>NAME OF COMMITTEE</b>	<b>AUDIT COMMITTEE</b>
<b>DATE</b>	<b>3 April 2014</b>
<b>REPORT TITLE</b>	<b>INTERNAL AUDIT - PLAN FOR 2014/15</b>
<b>Report of</b>	<b>CHIEF INTERNAL AUDITOR, and S.151 OFFICER</b>
<b>WARDS AFFECTED</b>	<b>ALL</b>

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**Summary of report:**

Internal audit is 'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes' – *Public Sector Internal Audit Standards*.

The purpose of this report is to provide Members with the opportunity to review and comment upon the internal audit plan for 2014/15. The plan aims to optimise the use of the scarce and finite audit time available and enable the Chief Internal Auditor to provide an opinion on the adequacy, effectiveness and reliability of the Council's system of internal control and governance framework, which will subsequently feed into the Annual Governance Statement.

**Financial implications:**

None, within existing budgets for Internal Audit provision.

**RECOMMENDATIONS:**

**That the Audit Committee review and comment upon the Internal Audit Plan 2014/15 and the linked 2014/15 Computer Audit Plan.**

**Officer contact:**

**For further information concerning this report, please contact:**

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Lisa Buckle, S.151 Officer and Head of Finance & Audit

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## **1. BACKGROUND**

- 1.1 The Accounts and Audit Regulations (latest 2011) and Section 54 of the Local Government Act 1972 provide the legal basis for the establishment of internal audit in local authorities. Paragraph 5 of the Act states that 'A relevant body shall maintain an adequate and effective system of internal audit of their accounting records and control systems'.
- 1.2 The 'CIPFA Application Note for the United Kingdom Public Sector Internal Audit Standards' defines internal audit: Internal audit is 'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.
- 1.3 The Standards require that the purpose, authority and responsibility of the service is set out in a Charter, an updated version of which is presented at this Committee meeting.
- 1.4 In addition, the Internal Audit Strategy states, at a high-level, how the internal audit service will be delivered and developed in accordance with the Terms of Reference. The Internal Audit Strategy 2014/15 accompanies this plan but under separate cover.

## **2. INTERNAL AUDIT PLAN FOR 2014/15**

- 2.1 The internal audit plan for the forthcoming year 2014/15 is based on the 5 year plan.  
  
5-year Audit Plan 2010/11 to 2014/15
- 2.2 A 5-year plan has been drawn up to cover the period 2010/11 to 2014/15 which was presented to and accepted by the Audit Committee in April 2010.
- 2.3 Once the relevant systems and processes were identified an assessment of risk was applied based on a statistical methodology derived from an Institute of Internal Auditors approach, that took account of the:
  - Value of transactions;
  - Complexity of the system;
  - Inherent risk (vulnerability to fraud or error);
  - Political sensitivity;
  - Time since last audit; and
  - Impact on other systems.
- 2.4 The resulting scores formed the basis of the priority rating, and the number of days to be spent on each system as a proportion of the days available.
- 2.5 A rating of 1 is audit work carried out annually as required in cases of high internal risk plus external influences such as the External Auditor or other

inspection regimes; 2 is to an annual audit as a result of the assessed risk to the Council; and, 3 is a lower audit risk and frequency of coverage of once in five years.

### Annual Audit Plan 2014/15 (Appendix A)

2.6 The 2014/15 annual plan has been developed from the 5-year Audit Plan 2010/11 to 2014/15 discussed above following an updated risk assessment using the criteria discussed at 2.3 to 2.5 above. In addition work is carried out to identify any emerging risks using information from: the Council/Committee minutes; external sources such as CIPFA and the Audit Commission; the Council's risk register; and cumulative audit knowledge. Heads of Service were also invited to contribute to the annual audit plan.

2.7 Other factors that result in a variation to the original 5-year plan are:

- Where there has been, or expected to be, significant changes to a system e.g. new computer software;
- Legislative changes; and
- Adjustment of days for some individual audits to reflect the practicalities of carrying out the work;

2.8 Key differences with the 5 year audit plan are:

Removed: Car Loans 6 days – currently no car loans;  
Dartmouth Town Council 5 days – arrangement ended;  
Performance Indicators 25 days – change to audit requirements for PIs;  
Culture and Heritage – no longer a separate finance budget and covered with other budget heads as appropriate; and  
Cost of Council Tax Collection 5 days – limited benefit to the Council given the forthcoming Transformation Programme

Added: Sustainability 10 days – deferred to 2014/15;  
West Devon Borough Council 35 days – additional audit coverage for West Devon as part of shared service, with related saving to South Hams;  
Specific Counter Fraud activities 10 days – as previously reported to the Committee; and  
T18 Transformation Programme 5 days – new risk for the Council.

2.9 The 2014/15 audit plan also sets out the proposed quarters in which the audit work will take place, although in certain areas this will always be flexible. In normal circumstances the timing and detailed work plans will be drawn up following consultation with the client managers.

### *Audit Plan - Flexibility*

2.10 Given the changes proposed by the Council, it is important that the audit plan is flexible. The plan as always contains a Contingency budget of 55 days for the

year. However, should there be a requirement for audit resources to be directed to emerging risks, resources will be taken from Section 3 of Appendix A 'Other Systems and Audits'. Sections 1 and 2 will be completed without fail. The Audit Committee will be kept informed.

Computer Audit Plan 2014/15 (Appendix B)

- 2.11 For 2014/15, the computer audit work is to be resourced internally from the annual audit plan (26 days), and linked wherever it is practical, to the work in the main audit plan.
- 2.12 The intention is to maintain the coverage set out in the 5-year Computer Audit Plan presented to the Audit Committee in April 2010.

**3. LEGAL IMPLICATIONS**

- 3.1 In accordance with the Constitution, it is the responsibility of the Audit Committee to consider the internal audit plan for the forthcoming year (Appendix A).
- 3.2 There are no direct legal implications of the internal audit plan.

**4. FINANCIAL IMPLICATIONS**

- 4.1 There are no direct financial implications of the internal audit plan outside of the existing budgets.

**5. RISK MANAGEMENT**

- 5.1 The risk management implications follow this table:

<b>Corporate priorities engaged:</b>	The report meets all of the corporate priorities
<b>Statutory powers:</b>	Accounts and Audit Regulations 2011 Section 54 of the Local Government Act 1972
<b>Considerations of equality and human rights:</b>	There are no considerations required of equality and human rights for this report
<b>Biodiversity considerations:</b>	There are no biodiversity considerations for this report
<b>Sustainability considerations:</b>	There are no sustainability considerations for this report
<b>Crime and disorder implications:</b>	There are no crime and disorder considerations for this report
<b>Background papers:</b>	Internal Audit Plan 2014/15 Charter and Strategy 5-Year Internal Audit Plan – Audit Committee June 2010
<b>Appendices attached:</b>	Appendix A – Internal Audit Plan 2014/15 Appendix B – Computer Audit Plan 2014/15

## STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Opportunity relating to the provision of assurance to Members, managers and other stakeholders.	The audit plan and its coverage contribute to the Council's system of internal control and therefore provide reasonable assurance that service objectives will be met.	2	2	4	↔	<p>Audit plans include all areas of potential coverage and direct audit resources to the areas most beneficial to the Council and so scarce audit resources are used in a way that provides the necessary assurance.</p> <p>The audit plan is reassessed through the year to compare emerging risks with the original risk assessment. Any emerging risk that is considered to require audit coverage during the year is included at the expense of the lowest priority areas.</p> <p>The revision is reported to senior managers including the S.151 Officer and Audit Committee.</p>	Chief Internal Auditor; S.151 Officer
2	Opportunity relating to Internal Audit as a shared service	A shared internal audit service between South Hams and West Devon provides the opportunity for both Councils to employ a dedicated professional team at a reduced cost to the council tax payer.	2	2	4	↔	<p>Improved efficiency in audit coverage by aligning, where local circumstances permit, audit plans.</p> <p>Auditors are able to make use of research on a given topic for more than one audit, and share good practice observed with managers at both Councils.</p>	Chief Internal Auditor; S.151 Officer

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
3	Internal Audit forms part of the Council's system of internal control	The audit plan and its coverage may not contribute to the Council's system of internal control as required by the related guidance.	2	2	4	↔	<p>Identification of the Audit Universe and subsequent assessment of risk. The audit plan is presented for review and comment to senior managers (including the S.151 Officer), Audit Committee and the external auditor. The Audit Committee's role includes monitoring performance against the plan and action on significant issues identified. The audit plan is linked to the Council's priorities.</p>	Chief Internal Auditor; S.151 Officer
4	Audit plans are risk based.	Audit plans do not direct audit resources to the areas most beneficial to the Council and so scarce audit resources are kept away from areas of high risk.	2	2	4	↔	<p>An assessment of risk was applied to an 'Audit Universe', based on a statistical methodology that took account of the:</p> <ul style="list-style-type: none"> <li>• Value of transactions;</li> <li>• Complexity of the system; Inherent risk (vulnerability to fraud or error);</li> <li>• Political sensitivity;</li> <li>• Time since last audit; and Impact on other systems.</li> </ul>	Chief Internal Auditor; S.151 Officer

Direction of travel symbols ↓ ↑ ↔



**South Hams  
District Council**

**INTERNAL AUDIT – ANNUAL PLAN 2014/15**

Internal audit is ‘an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’ – Public Sector Internal Audit Standards.

Objectives: the audit plan upholds the Council’s objectives and commitments as with every audit we are seeking continuous improvement of services, making best use of available resources to fulfil priorities and deliver services with skill, competence and integrity.

**1) FUNDAMENTAL SYSTEMS**

Fundamental systems are those that the Council’s external auditor considers to be so important that a failure in key controls may lead to their withholding or qualifying the opinion on the Council’s statement of accounts. We therefore need to audit these systems on an annual basis; days based on the risk score, benchmarking and experience.

	Priority Rating	Council Objective		Proposed Quarter	2014/15 Days
<b>Main Accounting System and Budgetary Control</b>	1	All	Accounts for the Council’s activities and assists in meeting the budgets set by the Council. Linking systems and audits: Accounts: All financial systems; Budgets: Council Tax (Setting); Computer audit: Access to system.	4	13
<b>Payments</b>	1	All	Pays the Council’s creditors promptly and accurately and processes other internal debit items. Linking systems and audits: Main Accounting; Treasury Management; Council Tax (Refunds); Business Rates (NDR) Refunds; Housing Benefits; Petty Cash. Computer audit: Access to system. <b>Audit to include the controls over the use of purchase cards.</b>	2	11
<b>Payroll</b>	1	All	Ensures accurate calculation and timely payment of salaries and wages to employees. Linking systems and audits: Main Accounting; Computer audit: Access to system. <b>Audit to include any redundancy payments.</b>	3	10
<b>Council Tax</b>	1	All	Calculates, bills, accounts for and assists in recovery of cash paid by Council Tax payers. Linking systems and audits: Main Accounting; Housing Benefits; Cash Collection; Computer audit: Access to system.	3	14

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**FUNDAMENTAL SYSTEMS (Continued)**

	Priority Rating	Council Objective		Proposed Quarter	2014/15 Days
<b>Business Rates (NDR)</b>	1	All	Calculates, bills, accounts for and assists in recovery of cash paid by NDR payers. Linking systems and audits: Main Accounting; Council Tax; Creditors; Computer audit: Access to system.	3	12
<b>Benefits</b>	1	All	Ensures accurate calculation and timely payment of Housing Benefits. Linking systems and audits: Main Accounting; Council Tax; Creditors; Computer audit: Access to system.	4	15
<b>Benefit Debtors</b>	1	All	Review of system of recovery for amounts due relating to Housing Benefits. Linking systems and audits: Main Accounting; Council Tax; Creditors; Computer audit: Access to system.	4	5
<b>Debtors</b>	1	All	Invoices, accounts for and assists in recovery of cash due to the Council. Linking systems and audits: Main Accounting; Cash Collection; Computer audit: Access to the system	2	10
<b>Treasury Management</b>	1	All	Manages the Council's cash flow and invests monies to maximise the interest earned. Linking systems and audits: Main Accounting; Creditors; Cash Collection; Computer audit: Access controls re Financial Director software.	3	4
<b>Capital Expenditure and Receipts</b>	1	All	Audit of receipts and expenditure of a capital nature to ensure that monies spent in line with the Capital Programme and Contract and Financial Procedure Rules.	4	11
<b>TOTAL: FUNDAMENTAL SYSTEMS</b>					<b>105</b>

**OTHER SYSTEMS AND AUDIT WORK**

The planned audit work is presented as 'Other Essential' audits where there is requirement for them to be completed annually, and 'Other' those completed once in 5 years Both are in service group order.

The 'Priority Rating' is derived from a statistical assessment of risk that includes the value of transactions, complexity, susceptibility to fraud or error, last audit coverage, impact on other systems and political sensitivity. A rating number of 1 is audit work carried out annually as required in cases of high internal risk plus external influences such as the External Auditor; 2 is an annual audit as a result of the assessed risk to the Council; and, 3 a lower audit risk and frequency of coverage (once in 5 years). Those audits brought forward from last year will have their rating enhanced with a plus sign (+).

Council's Priorities The link to the Council's published priorities. Proposed Quarter column shows the proposed quarter of the year in which a specific audit will be started. It has been drawn up giving regard to known audit needs, service and external pressures. However, the plan is flexible enough to take account of unforeseen matters for both internal audit and service managers, so the proposed quarter is effectively indicative.

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**2) OTHER ESSENTIAL SYSTEMS AND AUDIT WORK**

	Priority Rating	Council Objective	Proposed Quarter	2014/15 Days	
<b>ASSETS</b>					
Salcombe Harbour	2	Various	Audit work based on a sub-plan, having regard to emerging risks, to ensure coverage of all harbour activities over a period of 5 years.	3	10
Dartmouth Lower Ferry	2	Various	Audit work based on a sub-plan, having regard to emerging risks, to ensure coverage of all ferry activities over a period of 5 years.	3	9
<b>Sub-Total</b>					<b>19</b>
<b>ENVIRONMENT SERVICES</b>					
Street Scene, including Car and Boat Parking	2	Various	Audit covers all aspects of the Street Scene services including car parking based on a rolling sub-plan, having regard to emerging risks, with pay and display, season tickets and standard charges as key areas.	4	9
<b>Sub-Total</b>					<b>9</b>
<b>ENVIRONMENTAL HEALTH &amp; HOUSING</b>					
Private Sector Housing Renewal	2	Homes	Coverage will include system for providing disabled facilities grants & other related grant and loan schemes, with a counter fraud view.	3	8
<b>Sub-Total</b>					<b>8</b>
<b>ICT &amp; CUSTOMER SERVICES</b>					
Performance Indicators, and Data Quality	2	All	Our work on performance indicators is a requirement of the Council's Data Quality Strategy.	2	5
Use of the Internet & E-Mail	2	All	Review of the use of the Internet & E-mail with the aid of dedicated software, to ensure the Council's policies are adhered to.	2	10
Computer Audit	2	All	Computer audit subject to a separate planning process ( <b>Appendix B</b> ).	4	26
<b>Sub-Total</b>					<b>41</b>
<b>OTHER</b>					
Audit of Government Grants – RDPE Rural Community LAGs	2	Various	Quarterly and ad hoc audit and submission of grant claims prepared by Devon Renaissance on behalf of the 'Accountable Body' (the Council).	1/2/3/4	7
Audit of Government Grants – Coastal Communities Fund	2	Various	Quarterly and ad hoc audit and submission of grant claims prepared by Devon Renaissance on behalf of the 'Accountable Body' (the Council).	1/2/3/4	20

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South Hams District Council Internal Audit: 2014/15 Audit Plan

Appendix A

**OTHER ESSENTIAL SYSTEMS AND AUDIT WORK (Continued)**

	Priority Rating	Council Objective		Proposed Quarter	2014/15 Days
<b>OTHER (continued)</b>					
<b>Follow Up Of Previous Year's Audits</b>	2	Various	A revisit of the previous year's recommendations to ensure that the agreed actions have been implemented and are working satisfactorily.	1/2/3/4	10
<b>Contingency (unplanned)</b>	2	Various	An allowance for the numerous unexpected audit tasks and control advice to managers, including investigation of any suspected irregularities.	1/2/3/4	55
<b>Sub-Total</b>					<b>92</b>

**NON-FINANCIAL/CORPORATE**

<b>Corporate Governance</b>	2	All	Audit of the Council's Local Code of Corporate Governance and subsequent report with the S.151 and Monitoring Officer to the Audit Committee. To include Ethics, Gifts and Hospitality, and Equality issues. Links to the Annual Governance Statement.	4	8
<b>Exemptions to Contract Standing Orders or Financial Instructions</b>	2	All	To review applications from managers for exemption to Contract Procedure Rules in certain circumstances, normally in respect of procurement of goods and services.	1/2/3/4	5
<b>System of Internal Control (SIC) and Annual Governance Statement (AGS)</b>	2	All	Internal Audit in its annual report to the Council must include an opinion on the internal control environment and bring to the Council's attention any issues that will impact on the preparation of the AGS. (Control Environment = achievement of objectives, policy and decision making, complying with policies etc., risk management, financial management, governance, value for money and performance management) The AGS is to be approved at a meeting of the Council on the recommendation of Audit Committee, who should seek to satisfy themselves that they have obtained sufficient, relevant and reliable evidence to support the disclosures made.	1	6
<b>Risk Management</b>	2	All	Audit of the Council's risk management process as required by the Council's Strategy. Links to separate Advice to Other Groups (Risk Management Group).	4	3
<b>Sub-Total</b>					<b>22</b>

Continued Overleaf

South Hams District Council Internal Audit: 2014/15 Audit Plan

Appendix A

**OTHER ESSENTIAL SYSTEMS AND AUDIT WORK (Continued)**

	Priority Rating	Council Objective		Proposed Quarter	2014/15 Days
<b>SHARED AUDIT SERVICES</b>					
West Devon Borough Council	1	All	Internal audit service based on a risk based audit plan agreed with the S.151 Officer and WDBC Audit Committee.	1/2/3/4	115
Teignbridge District Council	-	All	Exchange of audit knowledge and resources where mutually beneficial, as highlighted in previous reports to members. Mutual assurance of significant areas of each Councils' audit plans agreed by the Audit Committees.	-	-
<b>Sub-Total</b>					<b>115</b>
<b>TOTAL: OTHER ESSENTIAL</b>					<b>306</b>

**3) OTHER SYSTEMS AND AUDIT WORK**

	Priority Rating	Council Objective		Proposed Quarter	2014/15 Days
<b>ASSETS</b>					
<b>Cemeteries and Burials</b>	3	Various	Review of the responsibilities of the Council including expenditure and any income. Discussed at Audit Committee January 2013. Last audited 2006/07.	2	4
<b>Coast Protection</b>	3	Various	Review of the expenditure used for activities relating to Coast Protection and the Council's legislative responsibilities. Last audited 2008/09.	1	8
<b>Flood Defence and Land Drainage</b>	3	All	Review of the expenditure used for activities relating to drainage and the prevention of flooding such as flood defences, advice and information. Last audited 2007/08.	1	6
<b>Environmental Initiatives including AONB</b>	3	All	Audit of income and expenditure plus the governance relating to AONB. Last audited 2008/09.	2	6
<b>Land and Investment Properties</b>	3	All	Audit will consider controls over both expenditure and related income. Last audited 2007/08. Links to Asset Management audit.	2	7
<b>Sub-Total</b>					<b>31</b>
<b>CORPORATE SERVICES</b>					
<b>Democratic Representation including Members Allowances</b>	3	Various	Audit to cover expenditure including the latest approved members' allowances scheme and expense claims to confirm that payments are made correctly and promptly. Last audited 2008/09.	1	6
<b>Electoral Registration</b>	3	All	Review of the income, expenditure and processes for the preparation and maintenance of the register of electors. Last audited 2007/08.	3	6
<b>Sub-Total</b>					<b>12</b>
<b>ENVIRONMENTAL HEALTH &amp; HOUSING</b>					
<b>Community Safety</b>	3	Various	Review of the requirements and the Council's arrangements for community safety. Last audited in 2006/07.	1	6
<b>Housing Standards</b>	3	Homes	Review of the expenditure used to ensure that private sector residents live in safe and sanitary accommodation. Last audited in 2007/08.	2	6
<b>Housing Strategy</b>	3	Homes	To include review of housing needs assessments; strategic plans e.g. energy conservation. Last audited in 2008/09.	1	6

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**OTHER SYSTEMS AND AUDIT WORK (Continued)**

	Priority Rating	Council Objective		Proposed Quarter	2014/15 Days
<b>ENVIRONMENTAL HEALTH &amp; HOUSING</b>					
Public Health including Water Sampling	3	Environment	Review of income and expenditure in relation to the Council's responsibilities, including water sampling and smoke free laws. Last audited 2008/09.	2	6
Pest Control	3	Environment	Overview of the external arrangement, last undertaken 2008/09.	1	1
<b>Sub-Total</b>					<b>25</b>
<b>ENVIRONMENT SERVICES</b>					
Grounds Maintenance	3	Environment	Review of the controls relating to grounds maintenance arrangements. Last audited 2008/09.	2	8
Beach Cleaning	3	Environment	Review of how the Council carries out its responsibilities in relation to the cleaning of beaches, to include any external arrangements. Last audited 2008/09.	1	6
<b>Sub-Total</b>					<b>14</b>
<b>FINANCE &amp; AUDIT</b>					
Allocation of HQ Costs	3	All	A review of the controls over allocating HQ costs to ensure that CIPFA guidelines are being met.	2	4
Non Distributed Costs including Redundancies	3	All	Review of the non distributed costs codes which includes corporate expenditure such as bank charges, external audit fees. Last audited 2008/09. Linking with Payroll and T18, may also include redundancies.	3	5
<b>Sub-Total</b>					<b>9</b>
<b>ICT &amp; CUSTOMER SERVICES</b>					
Design Office	3	All	Audit of the systems in place to control all aspects of the design and drawing office's business. Last audited 2007/08.	1	6
Local Welfare Support	3	Various	Overview of the arrangements for this new but limited funding scheme. Joint audit with WDBC.	1	2
<b>Sub-Total</b>					<b>8</b>

Continued Overleaf

South Hams District Council Internal Audit: 2014/15 Audit Plan

Appendix A

**OTHER SYSTEMS AND AUDIT WORK (Continued)**

	Priority Rating	Council Objective		Proposed Quarter	2014/15 Days
<b>PLANNING, ECONOMY &amp; COMMUNITY</b>					
Development Control Enforcement	3	Various	Review of systems relating to the monitoring and enforcing of planning conditions. Last audited 2007/08.	1	6
Economic Development	3	Economy	To review the controls over income and expenditure to ensure that the budget provides value for money in achieving the objectives for Economic Development. Last audited 2007/08.	1	5
<b>Sub-Total</b>					<b>11</b>
<b>CORPORATE/NON-FINANCIAL</b>					
Advice to Information Compliance and Other Groups	3	All	Attending several officer groups to provide advice, including Risk Management Group and Information Compliance Group.	1/2/3/4	3
Asset Management	3	Various	Audit to establish the progress being made by the Council in the management of its assets. Last audit at SHDC 2008/09.	2	7
Shared Services	3	All	A review of the process for the recharging of shared services with WDBC.	1	5
Sustainability	3	All	Audit in line with the audit programme produced by CIPFA. Last audited 2009/10. Joint audit work with WDBC.	1	4
T18 Transformation Programme	3	All	Audit work required relating to this key project for the Council. Joint audit with WDBC.	1/2/3/4	5
<b>Sub-Total</b>					<b>24</b>
<b>COUNTER FRAUD</b>					
Specific Counter Fraud Work	3	All	As highlighted by the counter fraud arrangement checklists previously presented to the Audit Committee. A separate plan will be drafted and the Committee informed of the work carried out in the future presentation of the necessary checklists to Members.	2	10
<b>Sub-Total</b>					<b>10</b>
<b>TOTAL: OTHER SYSTEMS AND AUDIT WORK</b>					<b>144</b>

South Hams District Council Internal Audit: 2014/15 Audit Plan

Appendix A

<b>AUDIT MANAGEMENT</b>			<b>Days</b>
Audit Administration	-		20
Audit Management, including Audit Planning	-		20
Audit Monitoring Reports to Management and the Audit Committee	-		15
Training	-		15
Miscellaneous e.g. corporate documents etc.	-		5
<b>TOTAL</b>			<b>75</b>
<b>TOTAL RESOURCES REQUIRED 2014/15 From totals above</b>			<b>630</b>
<b>RESOURCES AVAILABLE</b>			<b>2014/15 Days</b>
Chief Internal Auditor			234
Senior Auditor			261
Auditor			261
Sickness	Basis of Estimate: CIPFA Guidance plus 10	-	-18
Bank Holidays			-24
Annual Leave			-84
<b>TOTAL RESOURCES AVAILABLE</b>			<b>630</b>

Allan Goodman, Chief Internal Auditor

March 2014



**South Hams  
District Council**

**SOUTH HAMS DISTRICT COUNCIL**

**INTERNAL AUDIT**

**ANNUAL COMPUTER AUDIT PLAN – 2014/15**

<b>AUDIT AREAS</b>	<b>Priority Rating</b>	<b>Council Objective</b>	<b>Proposed Quarter</b>	<b>2014/15 Days</b>
<b>Installation &amp; Healthcheck, including: Using CIPFA Guidance –</b> <ul style="list-style-type: none"> <li>• Database Management</li> <li>• Environment Controls</li> <li>• Input Data and Running Files</li> <li>• Access control</li> <li>• Back-up</li> <li>• Disaster Recovery</li> </ul>	1	All	4	7
<b>Computer &amp; Network Management &amp; Security Using CIPFA Guidance -</b> <ul style="list-style-type: none"> <li>• PC Controls;</li> <li>• Network Controls.</li> </ul>	3	All	4	9
<b>Change Control Using CIPFA Guidance -</b> <ul style="list-style-type: none"> <li>• Program changes;</li> <li>• Development and Maintenance.</li> </ul>	3	All	4	7
<b>Other Reviews</b> <ul style="list-style-type: none"> <li>• Follow up of prior year reports;</li> <li>• Internet Controls; and</li> <li>• Other – through liaison with the external auditors and updating of the risk assessment.</li> </ul>	2	All	4	3
<b>TOTAL RESOURCES REQUIRED</b>				<b>26</b>

<b>RESOURCES AVAILABLE</b>	<b>2014/15 Days</b>
Computer Audit in Main Audit Plan (Appendix A)	26
<b>TOTAL RESOURCES AVAILABLE</b>	<b>26</b>

The computer audit plan was also derived from an audit assessment of all of the systems within the Council requiring audit, 'the Computer Audit Universe'. Once these systems were identified an assessment of risk was applied, based on a statistical methodology in the same way as the main audit plan (see Appendix A). The 5-year computer audit plan is based on the CIPFA 'Computer Audit Guidelines'. The priority rating has been simplified. Work will be carried out either annually or once twice in 6 years depending on the audit risk. Our computer audit plan also upholds the Council's aims and priorities as with every audit we are seeking continuous improvement of services, making best use of available resources to fulfil priorities and deliver services with skill, competence and integrity.