



North Devon District Council

Draft Operational Internal Audit Plan – 2019/20

February 2019

This report has been prepared on the basis of the limitations set out on page 6.

Report issued to:

Mike Mansell - Chief Executive
Jon Triggs - Head of Resources
Audit Committee

This report ("Report") was prepared by Mazars LLP at the request of North Devon District Council and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

This Report was prepared solely for the use of North Devon District Council and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance based on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

Please refer to the Statement of Responsibility for further information about responsibilities, limitations and confidentiality.

1. Background

1.1 This document sets out the planned internal audit activity for the year 2019/20 for North Devon District Council and is based on:

- Schedule B of Mazars LLP proposal dated 26 February 2016;
- Review of the strategic and departmental risk registers;
- Meetings with the Head of Resources;
- Review of key performance indicators;
- Our assessment of emerging and known risks in the public sector; and
- Review of our previous internal audit coverage.

1.2 The purpose of internal audit is to provide Members and the Chief Executive, through the Audit Committee, with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving North Devon District Council's agreed objectives. In order to provide this opinion, we are required to review annually the risk management and governance processes within North Devon District Council and on a cyclical basis, the operation of internal control systems within the organisation.

1.3 Internal audit is not a substitute for effective internal control. The proper role of internal audit is to contribute to internal control by examining, evaluating and reporting to management on its adequacy and effectiveness.

1.4 This plan has been discussed and agreed with the Council's Senior Management at one of their weekly meetings. They have indicated some specific months where it would be particularly appropriate to hold some audits and this has been shown in the proposed quarter column.

2. Action Required

2.1 The Audit Committee are asked to approve the contents and timings for the Operational Internal Audit Plan for 2019/20 in Section One.

Draft Annual Operational Plan for 2019/20

	Audit Title	Corporate Risk Register	2019/20	Work Planned
1.	Risk Management and Corporate Governance	Medium Based on our audit work	10	Q4
2.	Main Accounting System & Budgetary Control	High - Risk 00 A lack of clear direction in relation to significant budgetary challenges	12	Q3
3.	Debtors	Medium Based on our audit work	8	Q1
4.	Payroll	Medium Based on our audit work	10	Q1
5.	Treasury Management	Medium Based on our audit work	8	Q1
6.	Council Tax & NNDR (including NNDR maximisation)	Medium Based on our audit work	15	Q2
7.	Housing Benefits	Medium Based on our audit work	10	Q2
8.	Human Resources (including recruitment, retention, apprenticeships, equality and diversity, work-life balance, succession planning)	Medium Based on our audit work	10	Q3

Appendix A

	Audit Title	Corporate Risk Register	2019/20	Work Planned
9.	Housing Needs, including Choice Based Lettings	Medium Based on our audit work	10	Q2
10.	New Housing Schemes (inc. PFI where applicable)	Medium Based on our audit work	10	Q2
11.	Building Control	Medium Based on our audit work	10	Q3
12.	Information Technology Audit (inc. PCI Compliance (payment card industry))	High	22	Q4
13.	CCTV	Medium Based on our audit work	8	Q2
15.	Contracts & Capital Expenditure	High Risk 00	10	Q3
16.	Performance Management (inc. performance and financial management report, KPIs, service planning)	Medium Based on our audit work	10	Q3
17.	Safeguarding	Low Risk 45	8	Q4
18.	Crematorium	Low Based on previous audit work	3	Q4

Appendix A

	Audit Title	Corporate Risk Register	2019/20	Work Planned
19.	Follow Up	N/A	10	Q4
20.	Contingency	N/A	14	
21.	Audit Management	N/A	22	
			220	

Statement of Responsibility

We take responsibility to North Devon District Council for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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