BARNET
LONDON BOROUGH

AGENDA ITEM: 7   Page nos.   1 - 38

Meeting	Audit Committee
Date	10 March 2009
Subject	**2009/10 Internal Audit Annual Plan**
Report of	Director Corporate Governance
Summary	The Committee is asked to consider the Internal Audit annual plan for 2009/10.

Officer Contributors	Hem Savla, Acting Head of Internal Audit and Ethical Governance
Status (public or exempt)	Public
Wards affected	N/A
Enclosures	Appendix A: 2009/10 Internal Audit Draft Annual Plan
For decision by	Audit Committee
Function of	Council
Reason for urgency/ exemption from call-in (if appropriate)	Not applicable
Contact for further information	Tel No 020 8359 7154

2002-2003
Improving Urban Green Spaces
Libraries as a Community Resource
Beacon Council
2002-2004
Community Cohesion

1   **RECOMMENDATIONS**

1.1   **That the Audit Committee approve the Draft 2009/10 Internal Audit Annual Plan.**

2   **RELEVANT PREVIOUS DECISIONS**

2.1   None

3   **CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

3.1   The Council is 'committed to managing the Council efficiently, getting the best value for money and investing in services that matter most to our residents.' (Corporate Plan).

3.2   Each audit project has been mapped to the corporate priority it supports.

3.3   The cross-cutting priority of a 'More Choice Better Value' sets out how the council will continuously improve the way it works to deliver its priorities and become an excellent organisation. A key element of this is the need for a 'strong and supporting governance framework'. Delivery of this plan will contribute to this aim

4   **RISK MANAGEMENT ISSUES**

4.1   The purpose of this report is to seek approval for the annual Internal Audit plan for 2009/10. This plan should focus audit resources on the highest risk areas facing the organisation.

5   **EQUALITIES AND DIVERSITY ISSUES**

5.1   The Audit Plan will support the council in meeting its corporate priorities and promoting community choice.

6   **USE OF RESOURCES IMPLICATIONS (FINANCE, PROCUREMENT, PERFORMANCE & VALUE FOR MONEY, STAFFING, IT, PROPERTY, SUSTAINABILITY)**

6.1   None directly as a result of this report but addressing the risks identified by internal audit reports may require additional resources.

7   **LEGAL ISSUES**

7.1   None

8   **CONSTITUTIONAL POWERS**

8.1   Constitution Part 3, Section 2 details the functions of the Audit Committee including "Satisfying the Council that the internal auditor carries out sufficient

systematic reviews of the internal control arrangements, both operational (relating to effectiveness, efficiency and economy) and financial".

9   BACKGROUND INFORMATION

2009/10 Draft Annual Audit plan

9.1   Attached as an Appendix A to this report is a draft annual audit plan for 2009/10 prepared by the Acting Head of Internal Audit and Ethical Governance after a detailed risk assessment of the Council's systems and consultation with key stakeholders. The audit plan for 2009/10 is presented to the Committee for comment and approval.

9.2   The Committee should be satisfied that it can make an appropriate assessment of the internal control environment based on the programme of work outlined in Appendix A.

10   LIST OF BACKGROUND PAPERS

10.1   Any person wishing to view any of the background papers should telephone 020 8359 7154.

Legal:

CFO: HG

London Borough of Barnet

Internal Audit Service

Audit Plan 2009 - 2010

Contents

Internal Audit Service 2009-2010 Audit Plan

Introduction

Background

The Council has a statutory duty to maintain an adequate and effective internal audit function. The Internal Audit and Ethical Governance service provides this function.

Our primary objective is to offer the Council (via the Audit Committee), Chief Executive and senior managers an independent and objective appraisal of whether objectives are being met efficiently, effectively and economically. We also provide advice and guidance to management on risk and control issues within individual systems. We aim to achieve this through a planned programme of work based on an annual assessment of the major risks facing the authority.

External Audit

The council's External Auditors, Grant Thornton, verify the accuracy of the Council's annual financial statements and review the systems in place to support their production. In order to work towards a managed audit approach, we meet regularly with the external auditors to ensure that we plan our work effectively, minimise any duplication of work and ensure that we satisfy the statutory audit requirements.

Internal Audit Performance Standards

Although there are no national performance indicators for Internal Audit, we are continuing our efforts to improve our service to managers. We have local performance indicators which are approved and monitored by the Audit Committee.

Internal Audit Resources

The annual plan has been drawn up to address the statutory requirements and key risks for the Council, taking into account the available resources within the section. We will be working jointly with our audit partners to deliver the annual plan. Changes to the annual plan may be necessary during the year to reflect changing priorities and risk environment in light of macro economic changes affecting the Council.

Follow-up audits

All planned audit work undertaken is subject to a formal follow up to ensure that all agreed actions have been implemented. The timing of each follow up review is agreed with the client for the original audit. We report to the Audit Committee summary findings of all internal audit work as well as levels of implementation of agreed actions and the impact that this has on our risk assessment of that area.

Assurance Levels

All internal audit projects result in a statement of assurance of either 'full', 'satisfactory', 'limited' or 'no' assurance. These conclusions are based on the number of 'priority 1' and 'priority 2' risks identified in the report. The 'no' assurance statement indicates that, in the auditor's opinion, there is significant risk that either objectives will not be met efficiently and effectively or that fraud or irregularity will not be prevented or detected.

Deferrals

Occasionally it is necessary to defer (or sometimes delete) audits which have been included in the agreed plan. During the normal reporting cycle the Audit Committee will be informed of the reasons for the cancelled audits or audits that are deferred in year or to the following financial year.

The 2009-2010 Internal Audit plan

Key denoting the Corporate Priorities:

BFCYP = A Bright Future for Children and Young People
CGS = Clean, Green and Safe
SV = Supporting the Vulnerable
SH = Strong and Healthy
SS = A Successful Suburb
MCBV = More Choice, better value

CORPORATE GOVERNANCE

Directorate

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
ICC & Mini SIC	A follow-up of the 2008-09 systems review.	DCG	2	All
Governance	A follow-up of the 2008-09 systems review.	DCG & HIAandEG	3	All

Community Protection Group

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Anti Crime Agenda (incl. Crime Data)	A follow-up of the 2007-08 systems review.	DDCG	3	CGS
Trading Standards and Licensing	A follow-up of the 2008-09 systems review.	DDCG	2	CGS
Drug and Alcohol (VfM)	A follow-up of the 2008-09 systems review.	DDCG	3	CGS
Money Laundering	A systems review on the effectiveness of Council arrangements to identify and prevent money laundering activity and to ensure compliance with the Proceeds of Crime Act 2002.	DDCG	2	CGS

Corporate Anti-Fraud

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Corporate Anti-Fraud	A full systems review of the efficiency and effectiveness of processes to prevent and detect fraud (this area was last audited in 2004/5).	DDCG	1	CGS

Democratic Services

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Members Allowances	A systems review on the efficiency and effectiveness of processes for the management by the Council of the Members Notional Allowance.	DCG & DSM	R	MCBV

Electoral Registrations and Elections

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Registration of Electors	A systems review of the efficiency and effectiveness of processes to ensure that all residents are recorded on the Register of Electors.	DCG	1	All

Internal Audit and Ethical Governance

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Data Protection	A follow-up of the 2008-09 systems review.	DCG & HIAandEG	3	All

Legal

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Regulation of Investigatory Powers Act 2000 (RIPA)	A systems review to on the effectiveness of processes to promote awareness of RIPA and ensure controlled and the appropriate use of surveillance activity by the Council	DCG/HL/DDCG	3	CGS

DCG   =Director of Corporate Governance
DDCG   =Deputy Director of Corporate Governance
HIAandEG   =Head of Internal Audit and Ethical Governance
DSM   =Democratic Services manager
HL   =Head of Legal

R   =In reserve, subject to available audit resource during the year.

STRATEGY

Local Partnerships and Policy

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
	Audits to confirm compliance to partnership took-kit are recorded under selected service areas.			

ENVIRONMENT AND REGENERATION

Planning Housing and Regeneration

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Internal Control Checklist (ICC)	A review to ensure compliance with the corporate ICC arrangements particularly the extent to which areas of identified weakness are addressed within the Directorate.	DPHR	2	ALL
Section 106 Payments	A systems review to assess current responsibility for managing, monitoring Section 106 income and that benefits identified are delivered under Section 106 Agreements.	DPHR	1	SS
Grants	A follow-up of the 2008-09 systems review.	DPHR	2	SS
Strategic Planning	A follow-up of the 2008-09 systems review.	DPHR	1	SS
Grahame Park Regeneration Scheme	A full systems review of the processes for capturing and mitigating risks arising from the macro economic changes, identifying and recovering costs and ensuring continued service delivery to service users during changes in the programme delivery.	DPHR	3	SS

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Regeneration Skills Development Partnership Group	Undertake a high level review to assess compliance against the corporate partnership toolkit.	DPHR	3	SS
Regeneration	A follow-up of the 2008-09 systems review.	DPHR	4	All
Housing Systems Review	**Project:** Review the robustness of the project governance arrangements and provide risk and control advice and guidance during the redesign of business processes.	DPHR	1	SV & SS
Data Quality	A review to assess compliance of the data quality arrangements against the corporate data quality guidance.	DPHR	3	SS
Homelessness	A follow-up of the 2007-08 systems review.	DPHR	1	SS
Barnet House Monitoring	A follow-up of the 2008-09 systems review.	DPHR	2	SS

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Temporary Accommodation	A follow-up of the 2007-08 systems review.	DPHR	4	SV & SS

DPHR   =Director of Planning, Housing and Regeneration

Environment and Transport

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Street Lighting PFI contract	A systems review of the processes for monitoring the implementation of the PFI contract to ensure an effective delivery of the service objective of reducing fear and crime through improved street lighting.	DET	R	CGS
Use of Consultants in Environment and Transport	A follow-up of the 2008-09 systems review.	DET	2	CGS
Public Transportation and Traffic Management	A follow-up of the systems review deferred from 2007-08 to 2008-09.	DET/ADH	2 (est)	CGS
Parking Pay and Display maintenance	A follow-up of the 2008-09 systems review.	DET/ADH	4 (est)	CGS
Parking Control	A follow-up of the 2007-08 systems review.	DET/ADH	1	CGS
Cashless Parking	**Project:** Provide advice and guidance during pilot stage for introducing cashless payment of parking charges.	DET/ADH	1	CGS

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Transport	A follow-up of 2007-08 project work concluded in 2008-09.	DET/ADE	2	CGS
Data Quality	A systems review to assess compliance of the data quality arrangements against the corporate data quality guidance.	DET/ADP	3	CGS
Internal Control Checklist (ICC)	A systems review of compliance with corporate ICC arrangements particularly the extent to which areas of identified weakness are addressed.	DET/ADP	2	CGS
Administration of Term Contracts	A follow-up of the 2008-09 systems review.	DET/ADP	1 (est)	CGS
Final Accounts	A follow-up of the 2007-08 systems review.	DET/ADP	2	CGS

DET =Director of Environment and Transport
ADH =Assistant Director Highways
ADE =Assistant Director Environment
ADP =Assistant Director Performance

R   =In reserve, subject to available audit resource during the year.

MAJOR PROJECTS

Construction

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Capital Expenditure	Key systems: A systems review of the effectiveness of processes for the approval of, budget allocation to, delivery of and accounting / recording (including valuation where applicable) of capital projects (property and non-property). The audit will include a review of the vetting arrangements for capital projects within the Capital Assert Group (CAG).	MPD/HSF/ AD-AM/ HPS	2	All
Primary Schools Capital Investment Programme (PSCIP)	A follow-up of the 2008-09 project review.	MPD	1	BFCYP
Primary Schools Capital Investment Programme – 2009/10	**Project:** A review on the effectiveness of delivery of phase 1 of the Programme (the completion of Whitings Hill School).	MPD	3	BFCYP
Depot Replacement Project	A follow-up of the 2008-09 project review.	MPD	1	All

Corporate Procurement

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Cleaning contract – Safeguarding Children	A follow-up of the 2008/9 systems review.	HSP/DCS	4 (EST)	All
Leisure Management	A systems review of monitoring and price approval arrangement to ensure effective delivery of expected outcomes through the Leisure Partnership (between the Council and the Greenwich Leisure Partnership).	MPD/ HCP	3	SH

Infrastructure and Organisational Delivery

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Electronic Document Record Management System – EDRM (Phase 2)	**Project** (deferred from 2008/9): A review to ensure that arrangements are effective to deliver outcomes in key areas of the Project such as records retention, legal admissibility, security, scanning, and integration.	MPD	2	All

Project Consultancy

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Project Support	A review of the internal processes within the unit to ensure that Council projects receive effective advice and support from the unit, where applicable, including ensuring that outputs e.g. appropriate Business cases and feasibility studies facilitate effective decision making by the Capital Asset Group.	MPD	3	All

MPD   =Major Projects Director
HCP   =Head of Corporate Procurement
HSHR   =Head of Strategic HR
DCS   =Director of Children's Service
HSF   =Head of Strategic Finance
AD-AM   =Assistant Director, Asset Management
HPS   =Head of Property Service

COMMUNITIES

Children's Services

Inclusion

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Individual Budgets	A systems review of the pilot project to trail individual budgets on service users and to follow up any advice and guidance given in 2008-09 on the project.	ADI	3	BFCYP, SV
Exclusion	A systems review for ensuring that the level of permanent exclusions are monitored and managed effectively.	ADI	2	BFCYP, SV
Connexions	A follow-up of the 2008-09 audit review.	ADI	1	BFCYP

Safeguarding and Social Care

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Children's Centre Service	A systems review of the monitoring processes to ensure effective delivery of the service objectives.	DDSSC	2 (3)	BFCYP, SV
Common Assessment Framework	A systems review of the implementation of Common Assessment Framework to ensure effective delivery of early intervention, thus reducing number of referrals into social care and preventing children coming into care.	DDSSC	3	BFCYP, SV
Procurement and Contracts	A systems review of the process for procurement of care for children, including standard contracts and management arrangements for monitoring contracts.	DDSSC	1	BFCYP, SV
Integrated Children's System	A systems review of Integrated Children's System examining the data capture and data quality arrangements to delver enhanced information sharing and information management in social care practice.	DDSSC	2	BFCYP, SV
Looked after Children	A follow-up of the 2008-09 systems review.	DDSSC	4	BFCYP, SV

Partnerships Performance and Planning

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Children's Service ICC	A systems review of compliance with corporate ICC arrangements particularly the extent to which areas of identified weakness are addressed.	ADPPP	2	BFCYP
Contact Point	**Project:** Advice and guidance on the pre-implementation for Contact Point database to ensure adherence to Data Protection requirements when allowing access to information.	ADPPP	1	BFCYP, SV

Schools and Learning

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Challenge and Intervention	A systems review examining the processes to deliver the Local Authority's statutory function for school improvement.	DDSL	3	BFCYP, SV

DCS	=Director of Children's Services
ADI	=Assistant Director Inclusion
DDSSC	=Deputy Director Safeguarding and Social Care
ADPPP	=Assistant Director Partnership Performance and Planning
DDSL	=Deputy Director Schools and Learning

Adult Social Services

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Procurement	A systems review of the process for procuring services, over the required financial thresholds, to deliver VFM and incompliance with the Council's Contract Procedure Rules.	AD-P&SM	3	SV
Appointeeship	A systems review of the processes for safeguarding financial affairs of clients who are subject to Court of Protection orders.	ADASS	1	SV
Adult Protection	A systems review of processes to protect vulnerable adults.	ADASS	4	SV
Mental Health Partnership with MIND	Undertake a high level review to assess compliance against the corporate partnership toolkit.	DDASS	3	SV
Internal Control Checklist (ICC)	A systems review to assess compliance with the corporate ICC arrangements particularly the extent to which areas of identified weakness are addressed.	AD-P&SM	3	SV
Blue Badge Scheme	A full systems review of the processes to achieve desired objectives of the service around maximising people's independence.	ADASS	1	SV

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Choice & Independence Programme Governance	A follow-up of the 2008-09 review.	AD-P&SM	1	SV
Choice & Independence - Supply Management	A follow-up of the 2008-09 review.	AD-P&SM	3	SV
Fairer Pricing Tool.	A follow-up of the 2008-09 systems review.	DDASS	4	SV
Integrated Community Equipment Service (ICES)	A follow-up of the 2008-09 systems review.	AD-P&SM	4	SV
Data Quality BVPI (KC)	A follow-up of the 2007-08 systems review.	AD-P&SM	3	SV
Respite Care	A follow-up of the 2007-08 systems review.	ADASS	4	SV
Telecare	A follow-up of the 2008-09 systems review.	ADASS	4	SV

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Business Continuity	A follow-up of the 2008-09 systems review.	AD-P&SM	1	SV

DDASS – Deputy Director of Adult Social Services
ADASS – Assistant Director of Adult Social Services
AD-P&SM – Assistant Director, Performance & Supply Management

The following audits proposed by Internal Audit and Ethical Governance are not included in the work plan for 2009/10 for the reasons outlined below.

Audit Title	Scope	Client Comments
Meals Service	An 'end to end' systems review of the meals service provided through contractual arrangements with LB of Enfield for the effective delivery of meals to clients.	Deputy Director: There is no need for this audit as there are robust contract monitoring arrangement in place to mitigate risks in this service area.
Reviewing	A systems review of the current processes to assess that client's ongoing needs are being reviewed regularly, met promptly and effectively.	Assistant Director - Performance and Supply Management: There is no need for this audit in 2009/10 as there will be a major review of the current Reviewing arrangements. The Audit should be scheduled in 2010/2011.

Audit Title	Scope	Client Comments
Home Care	An 'end to end' systems review of the new introduced enablement and homecare service will be undertaken to ensure that processes are in place to delivery the required service to meet clients' needs effectively and on time.	Deputy Director - There is no need for this audit in 2009/10 as there will be a major review of the current homecare arrangements and standards will not be in place to audit. The Audit should be scheduled in 2010/2011.
Day Care	An 'end to end' systems review of day care will be undertaken to ensure that there are consistent processes in place across the directorate to delivery the required service to meet clients' needs effectively and on time.	Director - There is no need for this audit in 2009/10 as there will be a major review of the current daycare arrangements.

ORGANISATIONAL DEVELOPMENT

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
	None			

RESOURCES

RESOURCES: STRATEGIC SERVICES

Strategic Finance

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Insurance	A full systems review of the process to assess the effectiveness of the effectiveness of the Council's insurance arrangements.	AD-StS/ HSF/HI	1	All
Business Continuity	A follow-up of the 2007/8 systems review.	AD-StS/ HSF/HI	1	All
Milly Apthorp (2009/10)	An annual audit of accounts.	AD-StS/ HSF	2	All
Local Area Agreement Grant	A follow-up of the 2007-08 systems review.	AD-StS/ HSF	1	All
Accommodation Strategy	A follow-up of 2007-08 systems review.	AD-StS/ HSF	1	All

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Treasury Management (Icelandic Banks)	A full systems review on the effectiveness of arrangements for investing in riskier assets in the light of any lessons learned following the failure of Icelandic banks which affected Council's nationally. The scope will be agreed during planning.	AD-StS/ HSF	1	All

Property and Valuations Service

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Disposals and Capital Receipts	A systems review to ensure that property disposals are appropriate and correctly recorded, including a review processes to prevent money laundering.	HPS	1	All
Income from Property and Industrial Estate	A follow-up of the 2008-09 systems review.	HPS	3	All

Business Improvement

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Data Quality (KLOEs)	A follow-up of the 2008-09 systems review.	AD-SS/HBI	2	All

RESOURCES: SHARED SERVICES

Infrastructure and IS Operations

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Self Service	A full systems review on the effectiveness of the self service security arrangements.	AD-SS/HIS	1	MCBV
Remote Access	A full systems review on the remote access security arrangements and operation i.e. performance.	AD-SS/HIS	2	ALL

Strategic IT

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Data Security and Data Handling	A full systems review of the effectiveness of processes to ensure that personal and confidential data is held securely and protected against loss, including a review of access to shared folders, particularly the T-Drive.	AD-SS/HIS	2	STV
Working with Partners (Access to and exchange of electronic data)	A follow-up of the 2008-09 systems review.	AD-SS/HIS	2	All
Electronic Document Record Management EDRM (Phase 1)	A follow-up of the 2008-09 project review.	AD-SS/ MPD	2	All

Finance Support

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
VAT	A full systems review around the effectiveness of arrangements to ensure compliance under the new VAT regime and the provision of assurances that there are no errors and to address the possible impact on the 5% partial exemption limit owing to outsourcing.	AD-SS	2	MCBV
Procurement, Contracts and Accounts Payable	A follow-up of the 2008-09 systems review.	AD-SS/ HSP/MPD	1	ALL

Revenues

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
NNDR / Business Rates	Key system: A full systems review of the NNDR system.	AD-SS/ HRS	3	MCBV
Council Tax	Key system: A full systems review of the Council Tax system.	AD-SS/ HRS	3	SV / MCBV

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
Housing Benefit	Key system: A follow-up of the 2008-09 systems review.	AD-SS/ HRS	1	SV
Cashiers	A systems review to ensure effective, efficient and economic collection, receipting, safeguarding and banking of monies received by the Council by hand, postal remittances in the form of cash/cheques or debit/credit cards. The audit will include a review of the PayPoint processes.	AD-SS/ HRS	3	All

Shared HR Services

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
LG Pension Administration and Pension Fund	A follow-up of the 2008-09 systems review.	AD-SS	3	ALL
HR Support	A systems review of processes within HR to ensure effective service delivery to clients and statutory compliance where applicable, including HR file maintenance, CRB checking and renewal of work permits.	AD-SS	R	ALL

Shared Service Centre

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
SAP Compliance Calibrator	A follow-up of the 2007-08 review.	AD-SS	1	ALL

RESOURCES: CUSTOMER SERVICES and LIBRARIES

Customer Services

Audit Title	Scope	Client	Quarter	Contribution to the Corporate Priorities
West of Borough 2008-09	A follow-up of the 2008-09 project review. (Project within Customer Access Programme)	AD-CS&L	1	All
Library Management System (LMS)	A systems review on how effectively the new LMS is being used to deliver key areas of library service delivery and operation e.g. income collection, debt management, access security, stock control, bookings. The key areas for review will be identified and agreed during the detailed planning of the audit.	AD-CS&L	3	All

AD-StS   =Assistant Director Strategic Services
HSF   =Head of Strategic Finance
HI   =Head of Insurance
AD-AM   =Assistant Director of Asset Management
HPS   =Head of Property Services
MPD   =Major Projects Director
AD–SS   =Assistant Director of Shared Services
HBI   =Head of Business Improvement
HIS   =Head of Information Systems
HRS   =Head of Revenues Services
HCP   =Head of Corporate Procurement
AD-CS&L   =Assistant Director of Customer Services and Libraries

R   =In reserve, subject to available audit resource during the year.

KEY SYSTEMS AUDITS

Purpose
The council's external auditors minimise the work they do by placing reliance on the work of internal audit on certain key systems. These key systems, as agreed with the external auditors and the Chief Finance Officer, are listed below. Our approach to auditing key systems has been discussed and agreed with the external auditor and the Chief Finance Officer with regard to timing, scope and participants.

Approach and Regularity
With the introduction of SAP which integrated many of the previous stand alone financial and non financial systems, it is now necessary to review the key 'end to end' processes/systems. These end to end 'full systems' reviews, which will include review of key controls, will be undertaken at least once every three years to satisfy the duty placed on the external auditors by International Auditing Standards. Each full systems review will be subject to a follow-up within 12 months and where significant improvement has not been confirmed further review may be necessary before the scheduled cycle.

Protocol
The extent of internal audit review will affect the depth of external audit work necessary and hence impact upon the budget for audit fees managed and controlled by the Chief Finance Officer. To enable effective control over the audit fees the Chief Finance Officer will be the main client for all key systems audits identified below, unless stated otherwise, and will therefore participate in scoping and timing of each audit. The Chief Finance Officer will decide on the involvement of officers from other services for scoping and will specify service areas for testing. Where necessary the main client will organise responses for management actions to speed up concluding each audit. The Chief Finance Officer will also be the main client for any follow-up review, unless stated otherwise.

Reporting
All audit reports will be issued to the main client and copies circulated to all those officers identified by the main client.

We have agreed that these key systems should be subject to regular review and have therefore put together a programme, which will ensure that each system is regularly audited. The following table summarises our plans. Key systems audits for 2008/9 are included in the above list.

Key Systems	Main Client	2009/10	20010/11	2009/10	20010/11
Sales, Invoicing, Income and Debt Management	CFO	None	Full Review	Follow-up	None
Procurement, Contracts and Accounts Payable	CFO	Follow-up	None	Full Review	Follow-up
LG Pension Administration and Pension Fund	CFO	Follow-up	None	Full Review	Follow-up
Capital Expenditure and Property Asset Management (Fixed Assets)	CFO	Full Review	Follow-up	None	Full Review
Cash Collection, Banking, Reconciliation and Treasury Management	CFO	None	Full Review	Follow-up	None
Recruitment, HR and Payroll	HoSS	None	Full Review	Follow-up	None
Council tax (Income and Expenditure)	HoSS	Full Review	Follow-up	None	Full Review
NNDR	HoSS	Full Review	Follow-up	None	Full Review
Housing Benefits	HoH	Follow-up	None	Full Review	Follow-up