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**AUDIT SERVICES - ANNUAL AUDIT PLAN 2005/06**

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**Responsible Cabinet Member(s) - Councillor Don Bristow,  
Resource Management Portfolio**

**Responsible Director(s) - Paul Wildsmith, Director of Corporate Services**

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**Purpose of Report**

1. To seek approval to Audit Services' Audit Plan for 2005/06.

**Information and Analysis**

2. Audit Services' reporting regime to Members includes a report to Cabinet each year to approve the Annual Audit Plan (Minute Reference C15/Jun/2002). In this regard, the Annual Audit Plan for 2005/06 is detailed in Appendix A to the report.
3. The Council's external auditors, PricewaterhouseCoopers (PWC) again this year awarded Audit Services the maximum score of 4 under the Auditor Scored Judgements through the Comprehensive Performance Assessment. They commented in their report upon the "Financial Aspects of Corporate Governance - 2003/04 Audit of Accounts" that within the Council, Audit Services is regarded as a key management tool in developing and monitoring the internal control arrangements in relation to financial and non-financial systems, that the work undertaken was satisfactory and as a result they were able to place reliance on it.
4. PWC recognised that Audit Services is involved from time to time with individual business units in systems development and implementation projects. This advisory work is welcomed by the business units because of the added value provided by Audit Services' systems expertise but there could be a risk to independence arising from the possibility that the same members of staff may be required to conduct assurance work on systems that they have previously helped to implement. PWC accept that there are controls in place to mitigate this risk in the quality of audit staff employed by the Council, staff rotation and detailed reviews of working papers and reports undertaken by the Chief Internal Auditor.
5. PWC did not consider this issue as fundamental or significant but recommended that this potential risk together with the mitigating controls in place be brought to the attention of Cabinet in their consideration of the Audit Plan.

## **Outcome of Consultation**

6. The Plan has been formulated by the Chief Internal Auditor after discussions with the Director of Corporate Services and other Directors.

## **Legal Implications**

7. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

## **Section 17 of the Crime and Disorder Act 1998**

8. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

## **Council Policy Framework**

9. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

## **Decision Deadline**

10. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

## **Recommendation**

11. It is recommended that Audit Services' Audit Plan for 2005/06, as outlined at **Appendix A** be approved.

## **Reasons**

12. The recommendation is supported as it comprises part of the Council's corporate governance arrangements.

**Paul Wildsmith**  
**Director of Corporate Services**

## **Background Papers**

- (i) Audit Services' Role and Terms of Reference
- (ii) Audit Services' Strategic Audit Plan.
- (iii) CIPFA Audit Risk Assessment Information.
- (iv) Departmental Risk Management Information

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SG

**AUDIT SERVICES SECTION**  
**ANNUAL AUDIT PLAN 2005/2006**  
**PERSON DAYS**

	<b>Audit Assignments</b>	<b>Consultancy</b>	<b>Financial Appraisals</b>	<b>Sub Total</b>	<b>Contingency Activity Allowance</b>	<b>Total</b>
<b>Community Services</b>	190	15	6	211	20	231
<b>Corporate Services</b>	115	50	6	171	20	191
<b>Development and Environment</b>	75	25	6	106	20	126
<b>Education</b>	135	79	6	220	20	240
<b>Social Services</b>	130	65	6	201	20	221
<b>Core Corporate</b>	50	179	0	229	30	259
	695	413	30	1138	130	1268

**Community Services Department**  
**Audit Service Schedule 2005/2006**

<b><u>AUDIT ASSIGNMENTS</u></b>	<b><u>COMMENTS</u></b>	<b><u>PERSON DAYS</u></b>
Housing Benefits		40
Housing Rents		20
Housing Management		15
Civic Theatre		25
Dolphin Centre		20
Eastbourne Sports Complex		10
Stressholme - Course		12
Stressholme Catering		12
Community Safety		16
Payroll		10
Creditors		10
<b><u>CONSULTANCY</u></b>		
General Provision – inc. Audit recommendations follow up	Ad hoc requests for consultancy by the Department. Monitoring implementation of audit recommendations	15
<b><u>FINANCIAL APPRAISAL OF POTENTIAL CONTRACTORS</u></b>		
Notional Allocation		6
<b><u>CONTINGENCY ACTIVITY ALLOWANCE</u></b>		
Notional Allocation		20
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**Corporate Services Department**  
**Audit Service Schedule 2005/2006**

<b><u>AUDIT ASSIGNMENTS</u></b>	<b><u>COMMENTS</u></b>	<b><u>PERSON DAYS</u></b>
Income Collection / Reconciliation		35
Loans and Investments		10
Council Tax		15
Sundry Debtors		10
Central Payroll Function		10
Central Creditors Function		10
Departmental Creditors		10
Departmental Payroll		10
Bank Reconciliation		5
 <b><u>CONSULTANCY</u></b>		
Call/Contact Centre	Assist with the establishment of systems and procedures to support implementation	20
Banking Matters	Provision of advice and guidance in relation to corporate banking, girobanking and plastic card issues.	15
General Provision - inc. Audit recommendations follow up	Ad hoc requests for consultancy by the Department. Monitoring implementation of audit recommendations	15
 <b><u>FINANCIAL APPRAISAL OF POTENTIAL CONTRACTORS</u></b>		
Notional Allocation		6
 <b><u>CONTINGENCY ACTIVITY ALLOWANCE</u></b>		
Notional Allocation		20
		191
		191

**Development and Environment Department**  
**Audit Service Schedule 2005/2006**

<b><u>AUDIT ASSIGNMENTS</u></b>	<b><u>COMMENTS</u></b>	<b><u>PERSON DAYS</u></b>
Contracting		25
Car Parking		10
Licensing		10
Transport		10
Payroll		10
Creditors		10
<b><u>CONSULTANCY</u></b>		
Internal Capital Toolkit	Contribute to the finalisation of a toolkit which explains/documents the entire capital process	5
Landfill Allowance Trading Scheme	Assist with the establishment of appropriate systems and procedures for the new scheme	5
General Provision - inc. audit recommendations follow up	Ad hoc requests for consultancy by the Department. Monitoring implementation of audit recommendations	15
<b><u>FINANCIAL APPRAISAL OF POTENTIAL CONTRACTORS</u></b>		
Notional Allocation		6
<b><u>CONTINGENCY ACTIVITY ALLOWANCE</u></b>		
Notional Allocation		20
		126
		126

**Education Department**  
**Audit Service Schedule 2005/2006**

<b><u>AUDIT ASSIGNMENTS</u></b>	<b><u>COMMENTS</u></b>	<b><u>PERSON DAYS</u></b>
Comprehensive Schools x 5		50
Primary Schools x 12		48
Libraries		15
Payroll		10
Creditors		10
Trusts and Funds		2
<b><u>CONSULTANCY</u></b>		
Education Village	Assistance with establishment of appropriate contract monitoring arrangements etc	20
Extended Schools	Advice/support upon systems and procedures to underpin the initiative	15
School Rationalisation	School closure audit visits	15
Training - Head Teachers/Bursar/Governors	Carry out training session upon the audit process, the requirements of Contract and Financial Procedure Rules etc.	10
Specialist School Funds	Complete audit of funds/grant claims	4
General Provision – inc. Audit recommendations follow up	Ad hoc requests for consultancy by the Department. Monitoring implementation of audit recommendations.	15
<b><u>FINANCIAL APPRAISAL OF POTENTIAL CONTRACTORS</u></b>		
Notional Allocation		6
<b><u>CONTINGENCY ACTIVITY ALLOWANCE</u></b>		
Notional Allocation		20
		240
		240

**Social Services Department**  
**Audit Service Schedule 2005/2006**

<b><u>AUDIT ASSIGNMENTS</u></b>	<b><u>COMMENTS</u></b>	<b><u>PERSON DAYS</u></b>
Contracting		20
Homecare		15
Supported Living Schemes		15
Payments to Independent Sector - Residential Care		15
Payments to Independent Sector - Domiciliary Care		15
Child Care Payments for Children Looked After		15
Residential Accommodation for Children in the Borough		10
Harewood Lodge - Short Break Centre		5
Payroll		10
Creditors		10
<b><u>CONSULTANCY</u></b>		
Children's Services Department	Assist with the establishment of systems and procedures in the new department	20
OLM Development	Provide advice and guidance upon control issues on modules that are to be implemented on a phased basis	30
General Provision, including audit recommendations follow up	Ad hoc requests for consultancy by the Department. Monitoring implementation of audit recommendations	15
<b><u>FINANCIAL APPRAISAL OF POTENTIAL CONTRACTORS</u></b>		
Notional Allocation		6
<b><u>CONTINGENCY ACTIVITY ALLOWANCE</u></b>		
Notional Allocation		20
		221
		221



**Corporate Core**  
**Audit Service Schedule 2005/2006**

<b><u>AUDIT ASSIGNMENTS</u></b>	<b><u>COMMENTS</u></b>	<b><u>PERSON DAYS</u></b>
Performance Indicators		35
Corporate Governance		15
<b><u>CONSULTANCY etc.</u></b>		
External Audit Liaison		30
Procurement Initiatives	Support and assist delivery of the Council's Procurement Strategy	60
Risk Management	Carry out the Risk management Co-ordinator role as defined in the Council's Risk Management Strategy	20
Development of Departmental Corporate Governance Statements	Complete development of such statements to underpin the Annual Statement of Internal Control, as agreed with External Audit	15
Review of Financial Procedure Rules inc. Anti-fraud and Corruption Strategy	Finalise the review of existing documents	15
National Fraud Initiative 2004	Co-ordinate completion of the NFI 2004 exercise	15
Training - Corporate Governance Issues	Delivery of training/awareness sessions upon various aspects of the Council's Code of Corporate Governance	10
Mayor's Charity Fund	Audit of Fund	2
T.M. Barron Charity	Audit of Charity	2
General Provision	Ad hoc requests for consultancy. Monitoring implementation of audit recommendations	10
<b><u>CONTINGENCY ACTIVITY ALLOWANCE</u></b>		
Notional Allocation		30
		259