

APPENDIX A

Department of Corporate Services

Audit Services Annual Audit Plan 2006/07



Darlington Audit Services
Apportionment of the Audit Plan 2006/07

	Audit Assignments	Advice and Consultancy	Corporate Arrangements	Financial Appraisals	Sub Total	Contingency Allowance	Total
Community Services	173	68		6	247	24	271
Corporate Services	189	65		6	260	24	284
Children's Services	118	84		6	208	24	232
Development & Environment	78	15		6	99	24	123
Core Corporate	79	105	70	0	254	24	278
	637	337	70	24	1068	120	1188

COMMUNITY SERVICES DEPARTMENT		
Audit Assignments	Brief Synopsis of Work to be Undertaken/Areas of Coverage	Audit Days
Housing Benefits	To include: dealing with landlords, payment processes, backdating, overpayments, claims processing, system application controls, management processes.	40
Housing Rents	To include: income control, , BACS processes, Orchard Housing system application controls, application of annual rent increases, other charges, interface controls.	15
Housing Management	To include: lettings, waiting lists, management and control of rent arrears, Lifeline, wardens services, decorating allowances, asylum seekers.	15
Arts Centre	To include: utilisation, contractual arrangements, shows and performances, facilities management, security, income control, administration and management arrangements.	16
Arts Centre-Catering	To include: stock control, income collection, functions, consumption, vending, security.	15
Vehicles and Plant	To include: fleet and plant acquisition, utilisation, inventory, fuel management system, consumption, repairs and servicing, costing, security.	16
Trade Refuse	To include: contractual arrangements, income collection and control, debt control, landfill tax, efficiency and effectiveness of operational system.	12
Financial Assessment/Financial Protection Team	To include: provider contractual documentation, payments process, financial assessments, charging arrangements, management arrangements.	17
Community Equipment Service	To include: client referral and assessment, equipment purchase, delivery and installation.	10
Creditors	To include adherence to financial/purchasing procedures, value for money, treatment of VAT, application controls.	17
Consultancy / Advice		
Learning Disabilities	Assistance with the review of the commissioning function including: assessment, care management, contracting and finance elements to improve capacity, processes and establish best practices.	20
Dolphin Centre – Interim/Revised	To provide advice and assistance in the introduction of revised	10

procedures upon reopening	management, reconciliation and security processes to be operated during and after the Dolphin Centre's refurbishment.	
Care First	To provide assistance with control issues arising from the development /introduction of new modules of functionality	10
Adult Services – Administration of Client Finances	Advice upon the management and administration of new client monies software	8
Homecare - Procedures	Comment upon the adequacy of revised systems and procedures	5
General provision – inc. audit recommendations follow up	Issues arising within the department requiring audit input/advice, etc. Follow up of audit recommendations to ensure implementation by the dates agreed with management.	15
Financial Appraisal of Potential Contractors		
Notional Allocation	Comprises the analysis of financial information regarding a commercial enterprise and the forming of an opinion on that bodies financial ability to conduct business with the Council within the contractual constraints specified.	6
Contingency Activity Allowance		
Notional Allocation	Any unforeseen issues or assignments (special investigations etc). requests from the Director, arising during the course of the year	24
Total Person Days Allocated		271

CORPORATE SERVICES DEPARTMENT		
Audit Assignments	Brief Synopsis of Work to be Undertaken	Audit Days
Income Collection/Reconciliation	To include: reconciliation controls in respect of income from all sources, including Girobank, Internet and Digital payment systems, departmental bankings, receipt books , BACS.	25
Council Tax	To include; system application controls, user security, tax setting, property and debit controls, arrears recovery, bailiffs, income and direct debit controls	15
Sundry Debtors	To include system application controls, corporate and departmental debt management, bailiffs, income controls.	12
Central Payroll Function	To include: system application controls, user security, statutory and voluntary deductions, sickness and maternity payments	12
Central Creditors Function	To include: supplier masterfile, interfaces, system and user security, management arrangements and performance monitoring, system application controls.	12
Payroll/HR-Teachers and Supply Teachers	To include: correct calculation of salaries and associated payments, overtime, incremental progression, pay awards, honorariums, maternity pay, costing, authorisation, application controls, timesheet controls, supply teachers, safe recruitment, contracts of employment.	22
Payroll/HR-Homecare and Residential Workers	To include: correct calculation of salaries and associated payments, overtime, incremental progression, pay awards, honorariums, maternity pay, costing, authorisation, application controls, timesheet controls, recruitment.	17
Job Evaluation/Single Status	To include: evaluation of methodology for ensuring correct payment of new grades on the payroll system, accuracy of input and calculations, accuracy of backdating, pay protection, market supplements.	12
VAT	To include: administration of the VAT function in accordance with statutory requirements, accuracy and timeliness of VAT returns, correct application of VAT principles across the Council, VAT awareness, management arrangements.	15
Insurance	To include policy administration, annual premiums, claims administration, risk management awareness performance monitoring and management arrangements	12
IT Audit	To include: File controls, network controls, change control	15

IT Audit	To include: interface controls, internet controls, database controls	15
Bank Reconciliation	To include reconciliation of corporate bank accounts, cheque reconciliation system, cancelled / out of date cheque systems, timeliness of reconciliations	5
Consultancy/Advice		
Darlington and Stockton Partnership	Provide advice and assistance as required in respect of the proposed Partnership including governance issues and implementation of the control environment in respect of the replacement Payroll and Financial Management Systems.	40
Call/Contact Centre	Provide advice and assistance in the development of processes, both income and non income related to services within the call /contact centre	10
General Provision-inc. audit recommendations follow up	Issues arising within the department requiring audit input/advice, etc. Follow up of audit recommendations to ensure implementation by the dates agreed with management.	15
Financial Appraisal of Potential Contractors		
Notional Allowance	Comprises the analysis of financial information regarding a commercial enterprise and the forming of an opinion on that bodies financial ability to conduct business with the Council within the contractual constraints specified.	6
Contingency Activity Allowance		
Notional Allowance	Any unforeseen issues or assignments (special investigations etc). requests from the Director, arising during the course of the year	24
Total Person Days Allocated		284

CHILDRENS SERVICES DEPARTMENT		
Audit Assignments	Brief Synopsis of Work to be Undertaken	Audit Days
Eastbourne Comprehensive	To include: the arrangements for governance, financial planning, budgetary control, purchasing, income, asset management, data security, payroll and personnel.	12
Branksome Comprehensive	As above	12
Longfield Comprehensive	As above	12
North Road Primary	As above	5
Corporation Road Primary	As above	5
Abbey Junior	As above	5
Harrowgate Hill Primary	As above	5
Hurworth Primary	As above	5
St. Teresa's RC Primary	As above	5
Heathfield Primary	As above	5
St. Augustines RC Primary	As above	5
Sure Start	To include: governance, client database, purchasing, income control, asset management, budgetary control, grant claims.	15
E Learning Centre	To include: purchasing, asset management, charging arrangements.	12
Trusts and Funds	Audit of the Darlington Education and other funds in order to comply with Charity Commission requirements.	3
Creditors	To include adherence to financial/purchasing procedures, value for money, treatment of VAT, application controls.	12
Consultancy/Advice		
Education Village	Review of financial procedures to include division of duties and other control issues following the opening of the village and re structuring of the Finance/Admin function.	15
Development of Finance Manual for Schools	Assistance with the development of a comprehensive operational finance manual for schools together with a review of the guidance to the scheme of Finance in schools	15
Children's Services Structures	Advice and guidance as required on control issues as requested by the department following a major staffing restructure	14
Children's Information Governance inc.	Provide advice and guidance as required in respect of the	10

Complaints	development of an integrated complaints procedure including control arrangements, document retention and management information.	
Care First	To provide assistance with control issues arising from the development /introduction of new modules of functionality	10
Hummersknott – new financial system	Review of the adequacy of systems and procedures following the implementation of CMIS	5
General provision – inc. audit recommendations follow up	Issues arising within the department requiring audit input/advice, etc. Follow up of audit recommendations to ensure implementation by the dates agreed with management.	15
Financial Appraisal of Potential Contractors		
Notional Allocation	Comprises the analysis of financial information regarding a commercial enterprise and the forming of an opinion on that bodies financial ability to conduct business with the Council within the contractual constraints specified.	6
Contingency Activity Allowance		
Notional Allocation	Any unforeseen issues or assignments (special investigations etc). requests from the Director, arising during the course of the year	24
Total Person Days Allocated		232

DEVELOPMENT AND ENVIRONMENT DEPARTMENT		
Audit Assignments	Brief Synopsis of Work to be Undertaken	Audit Days
Estates	To include: management of leases, licences and rent reviews, sales and acquisitions, Council house sales, Use of land and property, allotments, management and system arrangements.	20
Markets	To Include: open and covered market rents, lease agreements, cattle market tolls and levies, miscellaneous income sources, rival markets, asset control, management arrangements.	12
Licensing	To include: implementation of new licensing legislation, taxi licensing, miscellaneous licensing, income control.	12
Building Control	To include: compliance with statutory requirements, control of applications, charging, income control, invoicing, treatment of refunds, cancellations, private inspections, performance monitoring and management arrangements.	12
Development Control and Planning	To include; compliance with statutory requirements, control of applications, charging, income control, appeals, performance monitoring and management arrangements	12
Creditors	To include adherence to financial/purchasing procedures, value for money, treatment of VAT, application controls.	10
Consultancy/Advice		
General provision – inc. audit recommendations follow up	Issues arising within the department requiring audit input/advice, etc. Follow up of audit recommendations to ensure implementation by the dates agreed with management.	15
Financial Appraisal of Potential Contractors		
Notional Allocation	Comprises the analysis of financial information regarding a commercial enterprise and the forming of an opinion on that bodies financial ability to conduct business with the Council within the contractual constraints specified.	6
Contingency Activity Allowance		
Notional Allowance	Any unforeseen issues or assignments (special investigations etc). requests from the Director, arising during the course of the year	24
Total Person Days Allocated		123

CORE CORPORATE		
Audit Assignments	Brief Synopsis of Work to be Undertaken	Audit Days
Performance Indicators	To include: review of overall management arrangements to secure data quality including adequacy of arrangements, validation of data, risk assessments.	30
Corporate Governance	To include: review of the Corporate Governance Framework	15
Risk Management	To include: review of the risk management process, monitoring and management of identified risks, new risks, , action/improvement planning to mitigate risks, reporting arrangements, awareness.	15
Ant-Fraud Arrangements	To include: review of the arrangements in place, effectiveness, awareness, publicity, protocols.	15
Mayors Charity Fund	Undertake the annual audit of accounts	2
T.M. Barron Charity	Undertake the annual audit of accounts	2
Consultancy etc.		
Partnership Arrangements	Facilitate the role out of the Partnership Toolkit formulated in 2005/6, to be adopted corporately to ensure that there are strong and effective governance arrangements for all partnerships.	15
Procurement Initiatives/Support	Provide advice and assistance as required in the development of ongoing procurement initiatives, such as e-procurement, purchasing cards, market places etc.	15
Manager's Assurance Statements	Develop and facilitate the role out of Manager's Assurance statements across the Council.	15
Schools Assurance Statements	Develop and facilitate the role out of Schools Assurance statements across the Council's schools	10
Leading Edge projects	Provide advice, guidance and support to the council's leading edge projects as required	15
Review of Contract Procedure rules	Assist and provide guidance in respect of the review of the Council's Contract procurement rules	15
Review of Financial Procedural rules	Assist and provide guidance in respect of the review of the Council's Financial Procedural rules	10
General Provision	Issues arising within the department requiring audit input/advice, etc. Follow up of audit recommendations to ensure implementation by the dates agreed with management.	10

Corporate Arrangements		
Training-Corporate Governance Issues	Facilitate a training programme within the Council to raise awareness of the Corporate Governance Framework and associated issues	20
NFI 2006	Facilitate the Council's response to the National Fraud Initiative 2006/7	15
CPA 2006	Facilitate the Council's response to the 2006 Comprehensive Performance assessment in respect of the Council's Internal Control Framework.	10
Audit Committee related	Facilitate and service the committee as required	10
External Audit Liaison	Quarterly meetings and regular ad hoc liaison to discuss areas of working, issues arising, to ensure best possible use of audit resource.	10
SIC Statement	Co-ordination the production of the Annual Statement of Internal Control.	5
Contingency Activity Allowance		
Notional Allocation	Any unforeseen issues or assignments (special investigations etc). requests from the Director, arising during the course of the year	24
Total Person Days Allocated		278