

# APPENDIX 1

Tees Valley Audit & Assurance Services

# **Internal Audit Plan**

# **2015/16**

# **Middlesbrough Council**

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# TEES VALLEY AUDIT & ASSURANCE SERVICES

## Internal Audit Plan for Middlesbrough Council 2015/16

### INTRODUCTION

#### Purpose

- 1 This document sets out the proposed programme of internal audit and counter fraud work for the Council during 2015/16. In accordance with good practice, internal audit is required to prepare an audit plan on at least an annual basis. The Plan is based on a number of sources of information and is a working document as amendments may be required throughout the year to reflect new and emerging risks and changes in priorities. In the current challenging economic climate, it is vital that the annual programme of internal audit work adopts a similar approach and focuses on what really matters.
- 2 The content of the audit plan is risk based and the basis for the risk assessment is the Council's corporate and directorate risk registers. The content of the Audit Plan is influenced by a variety of sources which can be summarised as follows:
  - The Council's Plan and key priorities.
  - Details of Council savings and proposed budget cuts.
  - The Council's risk registers.
  - Fraud and Loss Risk Self Assessment.
  - Networking with other local authorities.
  - Areas of previous weakness.
  - Specific requests from senior officers.
- 3 TVAAS is the shared internal audit service between Redcar and Cleveland and Middlesbrough Councils and was established on 1 January 2011. The Service was established in response to local authorities being encouraged to challenge traditional methods of service delivery in order to reduce waste and improve outcomes. Both councils are committed to the successful achievement of a long term shared service for internal audit which will add value and deliver benefits.
- 4 All local authorities have a statutory requirement to make provision for internal audit in accordance with proper standards of professional practice as set out in the Public Sector Internal Auditing Standards (PSIAS). Internal Audit is defined as 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. As such, TVAAS will have a key role in helping both councils achieve their objectives by examining the effectiveness of the governance arrangements and providing assurance to both councils that controls are operating effectively in order to manage the key risks facing the achievement of their objectives. This has a positive impact

on the risk environment, informing management whether the action being taken to manage the identified risks is working effectively.

### **TVASS Vision**

5 A shared internal audit service which always delivers in time, on time, to the highest quality and which is regarded within both councils, and more widely, as an exemplar public service. A Service which adds value and helps both councils deliver better outcomes for local people.

### **6 Auditor Code of Ethics**

In common with other professional bodies, UK internal auditors in the UK public sector must comply with the Institute of Internal Auditors (IIA) Code of Ethics principles as follows:

- Integrity
- Objectivity
- Confidentiality
- Competency

7 In addition, internal auditors must have regard to the *seven principles of public life* and the requirements of membership of other professional bodies. The Audit and Assurance Manager is a qualified Chartered Internal Auditor and Chartered Certified Accountant.

### **2014/15 Audit Plan**

8 The Council continues to experience significant and challenging financial pressures. When setting its audit plan for 2015/16, TVAAS' priority will be to help support the Council in maintaining an effective control and governance environment during its transformation. The content of the proposed audit plan very much reflects the challenges facing the Council and is designed to:

- Provide assurance on the effectiveness of the governance arrangements and internal controls operating.
- Provide advice on the design, implementation and operation of appropriate controls so as to minimise the risk of fraud and error.
- Support the Council in making effective use of its resources and thereby supporting the attainment of its planned savings and transformation programme.
- Act as a visible deterrent against all fraudulent activity, corruption and other wrong doing.
- Support the Council in providing an appropriate and effective response and investigation into any instances of suspected fraud or corruption.
- Undertake compliance reviews to ensure that Council policies and procedures are being followed.

### **9 Providing Assurance to the Council**

TVAAS will perform different categories of work in order to provide assurance to the Council that it has an effective control environment in place. The audit plan has been separated into a number of different categories of assurance as follows:

- Corporate assurance (CA)
- Financial/material systems (Fin)
- Internal control compliance (ICC)
- ICT audits (IT)
- Schools (Sch)
- Counter fraud (CF)
- Liaison and reporting (LR)
- Contingency (CON)

The number of days currently allocated to each of the categories is summarised in Section A. Sections B to G provide detail of the individual assignments currently planned for 2015/16.

Many of the audits will involve sample testing and discussion with officers across all directorates of the Council in order to be able to provide assurance at a corporate level. However, a number of audits are specific to one directorate.

The content of the audit plan needs to offer some flexibility so that it can be amended throughout the year in response to changes in risks, priorities and legislation. This is even more important in the current economic climate when there is increased uncertainty and frequency of change. What is considered to be a priority for internal audit review at the stage of agreeing the plan, may change as the year progresses and different areas for review are identified. As a result, there is an agreed process in place for approving variations to the approved Plan. The Plan will be subject to regular re-evaluation throughout the financial year to ensure that audit resources are prioritised and continually directed towards the areas of highest risk. Any significant variations to the Plan will be reported to the Corporate Affairs and Audit Committee.

## 10 **Progress against the Plan**

Progress against the plan will be monitored throughout the year and key issues reported to the Chief Financial Officer as the Council's S151 Officer and to the Executive Director Commercial and Corporate Services. The Audit and Assurance Manager will also report to the Corporate Affairs and Audit Committee on key issues arising from the work included in the Plan and on TVAAS' performance according to the current agreed performance measures.

The number of audit days currently totals 1118 (2014/15 - 994). Despite a further reduction of 12.5% to the overall internal audit budget, it has been possible to increase the number of audit days due to a review of the allocation of assignments across the different auditor grades. The proposed Plan for 2015/16 includes more emphasis on compliance and key systems audits, many of which can be completed by an auditor as opposed to a senior auditor. In contrast, the emphasis of last year's plan provided for more 'critical friend' work to support much of the change taking place at that time with these more complex assignments being carried out by senior auditors. The Plan still includes sufficient emphasis on corporate assurance

assignments which are key to supporting the Council's Annual Governance Statement.

## 11 **Completing the Plan**

During the year, it is proposed that the Audit and Assurance Manager and/or relevant Assurance Lead will attend each directorate's management team meeting on at least a 6 monthly basis to report on the progress and key findings relating to internal audits.

Once the content of the Plan and its individual assignments have been approved by the Corporate Management Team and the Chief Finance Officer, contact will be made at the start of the financial year with all relevant managers whose area of responsibility is included within the Plan. The purpose of this contact is to agree, well in advance, a timing for the audit to be carried out. Once the timing has been agreed, it is requested that managers try not to request a change to that schedule unless absolutely necessary. Managers should be aware that many of the assignments are included in the Plan specifically at the request of the Chief Executive, an Executive Director or the Chief Finance Officer as the Council's S151 Officer and therefore any request to cancel or defer an audit will have to be notified to the appropriate senior officer who may choose to overrule the manager's request.

The procedure for completing each individual assignment may vary to some extent but the usual process is summarised below:

- The Assurance Lead will contact the responsible officer(s) for an audit four weeks before the scheduled audit date in order to confirm arrangements and to arrange a meeting to discuss the scope of the audit.
- At some point within the four weeks prior to the scheduled start date, the scoping meeting will be held between the relevant TVAAS staff and the responsible officer(s) for the audit.
- As a result of that meeting, the Assurance Lead will prepare proposed terms of reference document outlining the main focus of the audit and how it will be undertaken. This will be sent to the responsible officer(s) and Head of Service for agreement and amendment as necessary. It is the responsibility of the responsible officer(s) to ensure that their staff are aware of the audit and its purpose and that they are able to make time to engage with the audit staff throughout the scheduled period. This meeting will also discuss practical arrangements e.g. access to systems, documents so that the responsible officer may prepare accordingly.
- The field work of the audit will commence on the scheduled date as agreed. The nature of the field work will vary considerably according to different assignments but will typically involve audit presence on site, requests for meetings and information from and with managers and their staff. TVAAS staff will aim to carry out their work with sensitivity and causing the minimum of disruption to teams affected.
- Any significant concerns identified during the audit will be communicated to the responsible officer(s) on an ongoing basis.
- Following the completion of the fieldwork, the TVAAS audit and assurance officer will produce a draft report outlining the main findings from the audit together with recommendations for action. The report and associated

working papers and evidence collated will be reviewed by an assurance Lead. Nearly all draft reports are also reviewed by the Audit and Assurance Manager before issue.

- Depending upon the content of the draft report, a discussion meeting may then be held with responsible officers or the draft may be issued to them (usually the head of service) directly. If the report contains significant findings or recommendations, it is probable that a meeting will be held so that the audit and assurance officer can present their findings and ask for management comments. However, if the report has identified no major issues or recommendations then it may not be necessary for a meeting to be held and instead the report can be issued as a draft for management comment.
- The draft report will provide an overall level of assurance that the auditor(s) has concluded is appropriate based on their findings of those areas examined. There are five possible levels of assurance as follows: **Strong, Good, Moderate, Cause for Concern and Cause for Significant Concern**. The definition for each of these assurance levels is provided in each TVAAS audit report as an appendix.
- It is at this stage that the audit and assurance officer(s) will require the responsible officer(s) to provide 'management comments' which detail the proposed remedial action to be taken to address the findings in the report together with target dates for completion of these actions. If the audit and assurance officer(s) considers that the management comments do not adequately address the finding then the action proposed will be revisited with the responsible officer(s).
- Following agreement of the draft report and the receipt of a management response to each of the recommendations, the final report, including the management responses, will be issued to the relevant officers and a copy also issued to the director and, where appropriate, to the Risk Manager and External Auditor. Audit reports covering corporate matters e.g. risk management; performance management will also be issued to CEMT.
- All agreed recommendations are ranked according to three priority levels with a priority 1 recommendation being the most significant. All P1 recommendations and the progress being made to implement them are reported to the Corporate Affairs and Audit Committee.
- All P2 and P3 recommendations are 'followed up' by TVAAS audit and assurance officers according to the target date specified at the time the recommendation was agreed. Progress to implement P1 recommendations will be followed up earlier in order to report on progress being made to Corporate Affairs and Audit Committee.
- A summary of the findings of all internal audit work including progress made to implement recommendations is reported to the Corporate Affairs and Audit Committee.

## 12 Quality

TVAAS staff are committed to delivering a quality service to the highest professional standards that adds value to its customers. The Service actively monitors its performance and a customer satisfaction survey is issued with each draft audit report

(excluding investigations). In accordance with the Public Sector Internal Auditing Standards, the Team will also monitor its own quality. The recent service review has introduced the new post of a Quality Assurance Officer whose role is to monitor the work that the Service produces to ensure that assurance work is consistently produced to a high quality standard.

### 13 **Performance Measures**

A service level agreement for the provision of internal audit services is in place between Redcar and Cleveland Borough Council and Middlesbrough Council and includes a number of performance measures (additional measures have since been added by the Audit and Assurance Manager). The status against each of these measures is reported to Corporate Affairs and Audit Committee on an ongoing basis. Performance measures for 2015/16 are:

- 1) Percentage completion of the agreed annual audit plan (Target 100%).
- 2) To achieve an average customer satisfaction survey score of 4 (4 being the highest. Previous targets have been set as 3.5 which has, as an average, being achieved therefore the target is to be raised).
- 3) Percentage of recommendations agreed.
- 4) Percentage of recommendations followed up and implemented.
- 5) Percentage of draft reports issued within 15 days of the end of fieldwork – target will be 100% for 2015/16 (previously 85%).
- 6) Percentage of final reports issued within 20 working days of the draft issued date.
- 7) Audit and assurance officer productivity - each member of the team to be set a target number of productive days and to meet that 100%. Productive days equals those days to be focussed on audit and assurance plan work after deducting days for leave, training, estimated admin, sickness etc.
- 8) Time taken to complete an assignment (from audit start date to final report issued date).
- 9) Number of compliance/assurance audits completed within the budgeted time allocation.



## A SUMMARY OF DAYS BY ASSURANCE CATEGORY

Assurance Category	2015/16	2015/16	2014/15	2014/15	2013/14	2013/14
	Days	% of Total Days	Days	% of Total Days	Days	% of Total Days
Corporate assurance/change programme support	283	26	355	36	495	37
Financial Systems	260	23	255	26	275	21
Internal Control and Compliance	235	21	109	11	145	11
ICT	55	5	70	7	110	8
Counter Fraud	70	6	70	7	110	8
Schools	60	5	30	3	20	2
Liaison and Reporting	95	9	85	8	80	6
Contingency	60	5	20	2	90	7
<b>Total</b>	<b>1118</b>	<b>100</b>	<b>994</b>	<b>100</b>	<b>1325</b>	<b>100</b>

To ensure that the main risks and priorities are still subject to assurance, the reduction to audit days since 2013/14 has been applied to the overall total rather than by reducing each category equally.

## **B COMMERCIAL AND CORPORATE SERVICES (also includes cross cutting audits)**

Corporate audits review a number of key corporate themes that cut across all directorates and are key to providing the appropriate assurance to the Council that its overall governance and control arrangements are effective. This category of work also contributes to the Audit and Assurance Manager's annual opinion on the overall adequacy and effectiveness of the Council's control environment. Any major issues arising from corporate work will also contribute to the formation of the Council's Annual Governance Statement.

<b>Category</b>	<b>Audit Title</b>	<b>Days</b>
<b>CA</b>	<b>Risk Management and Service Continuity</b>	<b>8</b>
	Risk management was deferred from last year. A high level assurance review of the Council's arrangements for profiling, managing and reporting on its risks and also of the corporate framework in place to enable service continuity.	
<b>CA</b>	<b>Change Programme Management</b>	<b>15</b>
	Requested by the Executive Director for Corporate and Commercial Services. A review of the governance and management arrangements in place for ensuring that the Change Programme meets its objectives.	
<b>CA</b>	<b>Five Project Governance</b>	<b>20</b>
	Requested by the Chief Executive. This audit will consider the overall effectiveness of governance and decision making arrangements in relation to five distinct areas (Acklam Hall, Sainsburys' planning application, Prissick Base land transfer, TAD Centre, Gresham Housing).	
<b>CA</b>	<b>Performance Management Framework</b>	<b>20</b>
	A review of the governance and compliance structure (and effectiveness of links to the corporate planning cycle) for monitoring and reporting on performance across the Council.	
<b>ICC</b>	<b>Staff Development and Appraisal Framework</b>	<b>10</b>
	A review of the corporate framework in place for conducting staff appraisals and sample testing on the level of compliance.	
<b>ICC</b>	<b>Middlesbrough Manager</b>	<b>10</b>
	A review of the extent to which Middlesbrough manager as a framework has become embedded within the Council and the extent to which it is being complied with. Combine with audit above.	
<b>ICC</b>	<b>Declaration of Interests/Gifts and Hospitality</b>	<b>15</b>

<b>Category</b>	<b>Audit Title</b>	<b>Days</b>
	A review of the governance and controls in place for ensuring that potential conflicts of interest are highlighted and that gifts/hospitality are recorded and monitored.	
<b>CA</b>	<b>Officer Decision Making</b>	<b>10</b>
	A review of the procedures for recording and monitoring officer decision in light of the new legislation and the roll out of proformas and guidance.	
<b>ICC</b>	<b>Members' Allowances</b>	<b>10</b>
	A review to provide assurance that allowances and expenses are being paid correctly.	
<b>ICC</b>	<b>Travel and Subsistence</b>	<b>15</b>
	A review of compliance with the Council's policies on travel and subsistence. A follow up of previous recommendations made in an audit two years ago that identified a number of areas for improvement.	
<b>ICC</b>	<b>Bereavement Services</b>	<b>10</b>
	A review to provide assurance that the Service is complying with its policies and procedures and that an effective control environment is in place. This audit may be deferred depending on developments regarding future partnership arrangements.	
<b>ICC</b>	<b>Registrar's Service</b>	<b>10</b>
	A review to provide assurance that the Service is complying with its policies and procedures and that an effective control environment is in place. This audit may be deferred depending on developments regarding future partnership arrangements.	
<b>ICC</b>	<b>Coroner's Service</b>	<b>10</b>
	An audit to confirm that all the recommendations implemented as a result of an audit in 2013/14 are still operating effectively.	
<b>ICC</b>	<b>Bus Station and CCTV</b>	<b>10</b>
	A review to confirm that an effective control environment is in place. This audit may be deferred depending on developments regarding future partnership arrangements.	
<b>CA</b>	<b>Property/Asset Management</b>	<b>20</b>
	An audit deferred from 2014/15 which was to examine the controls in place to ensure that the Council's property/asset portfolio is managed effectively.	

<b>Category</b>	<b>Audit Title</b>	<b>Days</b>
<b>CA</b>	<b>IT Transfer of Service</b>	<b>20</b>
	A high level review to provide assurance that there is an adequate IT control environment following forthcoming changes to the management arrangements for IT.	
<b>IT</b>	<b>Agresso</b>	<b>25</b>
	An application audit of the new system to confirm that controls are adequate.	
<b>CON</b>	<b>CCS Contingency</b>	<b>30</b>
	An allocation of time for internal audit input as required.	
<b>LR</b>	<b>Meetings and Advisory – Commercial and Corporate Services</b>	<b>20</b>
	An allocation of time for TVAAS auditors to liaise with the Executive Director, the S151 Officer and to respond to ad hoc queries, requests for assistance, to attend DMT and other meetings as required.	
	<b>TOTAL DAYS COMMERCIAL AND CORPORATE SERVICES and cross cutting audits</b>	<b>288</b>

## C FINANCIAL/MATERIAL SYSTEMS

Financial systems remain an important area of the internal audit plan as they provide the Section 151 Officer with assurance that the Council has made proper arrangements for the effective administration of its financial affairs and support the integrity of the Council's accounts. Such audits cover key expenditure systems such as Accounts Payable and Receivable, Payroll, Main Accounting and Financial Management & Budgetary Control. The need to annually review these and other material areas reflects the overall significance of the systems to the Council. It does not mean that the control environment is weak but reflects the potential impact should a major control weakness be identified. For that reason, assurance on material systems is provided more frequently than for many other areas where the risk and impact is considerably less.

<b>Category</b>	<b>Audit Title</b>	<b>Days</b>
	The following areas are classed as a fundamental or material system to the Council and are therefore subject to some level of annual review. The exact scope of the material systems to be audited by TVAAS will be agreed with the External Auditor.	
<b>Fin</b>	<b>Main Accounting</b>	<b>20</b>
<b>Fin</b>	<b>Debtors</b>	<b>20</b>
<b>Fin</b>	<b>Creditors</b>	<b>20</b>
<b>Fin</b>	<b>Treasury Management</b>	<b>15</b>
<b>Fin</b>	<b>Council Tax and Business Rates</b>	<b>30</b>
<b>Fin</b>	<b>Housing and Council Tax Benefits</b>	<b>30</b>
<b>Fin</b>	<b>Housing Benefit Count (and other verification work as required)</b>	<b>45</b>
<b>Fin</b>	<b>Payroll</b>	<b>25</b>
<b>Fin</b>	<b>Capital Accounting</b>	<b>15</b>
<b>Fin</b>	<b>Pension Fund Admin</b>	<b>20</b>
<b>Fin</b>	<b>Pension Fund Investments</b>	<b>20</b>
	<b>TOTAL DAYS FINANCIAL/MATERIAL SYSTEMS</b>	<b>260</b>

## D WELLBEING, CARE AND LEARNING

Category	Audit Title	Days
CA	<b>Safeguarding Children</b>	15
	The risk of failure to implement procedures in relation to safeguarding children could have such a significant impact that this is an area that will always require some level of audit review each year. The audit will consider the capacity of the team to cope with its workload and its responsiveness when concerns are raised. This audit to be undertaken after the Ofsted inspection.	
CA	<b>Safeguarding Adults</b>	15
	The annual audit plan will always include some form of assurance work in this area due to the potential impact of a failure in procedures. The Assistant Director – Social Care has suggested that this year's audit focus on guardianships.	
CA	<b>Child Exploitation</b>	15
	A review to provide assurance that the Council is doing all it can to safeguard young people.	
CA	<b>Residential Homes</b>	20
	Three residential homes transferred from Five Rivers into the Council's control on 1 <sup>st</sup> February 2014. The buildings, policies and practices and staffing structures were transferred over and management have requested an audit to look at the systems in place and the proposals for a new staffing structure that are currently being considered. Also to include a review of finance and budgets. As part of this, the quality of the estate (backlog of maintenance) will need to be examined from an operational and H&S perspective. Management have stated that they wish to use the report to assist with the formulation of a capital bid in order to fund necessary repairs.	
ICC	<b>Social Care Payments</b>	25
	A review of the systems and procedures in place at the Council to ensure that correct payments for care are being made. The review will encompass direct payments, care at home and residential care payments. As payments for children are due to be linked to LCS/Controcc soon, a review of all payments made was requested.	
CA	<b>Transformation Plan</b>	15
	A review of the robustness of plans in place to manage demand for services (expected savings circa £30m in 2016/17 and 2017/18).	

<b>Category</b>	<b>Audit Title</b>	<b>Days</b>
<b>ICC</b>	<b>Youth Offending Service</b>	<b>15</b>
	A review of the controls in place for the recording of visits to client to ensure in line with court/legal requirements, mileage claim checks, use of pool cars etc.	
<b>CA</b>	<b>Care Act</b>	<b>15</b>
	An allocation of time for TVAAS to review the Council's level of preparation for the Care Act (audit to be completed after Sept 2015).	
<b>Sch</b>	<b>Schools and School Investment/improvement</b>	<b>60</b>
	<p>The Council has a statutory role to monitor and support its schools to achieving high and to intervene in cases of underperformance. Whilst the Council does not have the same powers when it comes to academies, it maintains an interest in all schools regardless of their status.</p> <p>The time allocation under this heading is proposed to be divided between:</p> <ol style="list-style-type: none"> <li>1) Establishment reviews of a sample of schools – more detailed programme to focus on anti-fraud controls.</li> <li>2) Themed audits examining a particular issue e.g. budget management across a number of schools.</li> <li>3) A review of the role of local authority - after the inspection in Jan 2015.</li> </ol>	
<b>ICC</b>	<b>Children with Disabilities Service</b>	<b>15</b>
	A review encompassing all aspects of the CWD service – respite at Gleneagles, direct payments, support/playschemes, proposed staffing structure and finance and budgets.	
<b>IT</b>	<b>Liquid Logic Children's Care Management System</b>	<b>10</b>
	An application audit to provide assurance that an effective IT control environment is in place.	
<b>IT</b>	<b>Liquid Logic Adults Care Management System</b>	<b>10</b>
	An application audit to provide assurance that an effective IT control environment is in place.	
<b>CON</b>	<b>Contingency</b>	<b>15</b>
	An allocation of time for internal audit to offer input as required.	
<b>LR</b>	<b>Meetings and Advisory</b>	<b>10</b>

Category	Audit Title	Days
	An allocation of time for TVAAS auditors to respond to ad hoc queries, requests for assistance, to attend DMT/SEN Working Group and other meetings as required.	
	<b>TOTAL DAYS WELLBEING, CARE AND LEARNING</b>	<b>255</b>



## E ECONOMIC DEVELOPMENT AND COMMUNITIES

Category	Audit Title	Days
<b>CA</b>	<b>School Readiness</b>	<b>20</b>
	Linked to Child Poverty audit deferred from 2014/15.  The audit proposes to examine the strategies and plans in place to ensure that Middlesbrough Council is actively working to address school readiness as a major contribution to reducing demand on acute services. To be carried out in the first half of the financial year.	
<b>CA</b>	<b>Housing Regeneration (Gresham)</b>	<b>15</b>
	A review of Housing Regeneration (Gresham etc.) and evaluate the checks and balances around how the Council has spent the agreed £15m (shortfall from previous Govt. grant needed to complete the scheme). Does the Council have robust processes in place around the acquisition of the properties and are there any lessons to be learned before the scheme end.	
<b>ICC</b>	<b>Trading Standards/Environmental Health</b>	<b>15</b>
	A review of the control and governance environment.	
<b>CA</b>	<b>Governance and Neighbourhood Infrastructure</b>	<b>15</b>
	A review of the governance arrangements around key community buildings, partnerships and plans – reflecting a move to greater involvement of volunteers. To be carried out later in the financial year.	
<b>IT</b>	<b>Leisure Management System</b>	<b>10</b>
	Deferred from 2014/15.  A review of the system controls and security. This audit to be carried out in conjunction with the Town Hall audit.	
<b>ICC</b>	<b>Middlesbrough Town Hall and Theatre</b>	<b>10</b>
	A review of the control environment particularly for control of income. The audit could also review the project management controls in place for transforming the Town Hall. This audit to be carried out in conjunction with the IT audit of the system.	

<b>ICC</b>	<b>Transporter Bridge</b>	<b>10</b>
	A review of the control environment for income collection and budgetary control.	
<b>CF</b>	<b>Anti Fraud Controls</b>	<b>15</b>
	A review of the fraud controls in those areas of the directorate more susceptible to fraud and/or theft e.g. markets.	
<b>ICC</b>	<b>Building Control</b>	<b>15</b>
	To provide assurance that the Service has an effective control environment in place and is complying with up to date policies, procedures and legislation.	
<b>ICC</b>	<b>Selective Landlord Licensing</b>	<b>10</b>
	A review of the systems and critical friend input. Possibly to be undertaken summer 2015.	
<b>CON</b>	<b>Contingency</b>	<b>15</b>
	An allocation of time for TVAAS auditors to respond to requests for additional work not already included in the Plan.	
<b>LR</b>	<b>Meetings and Advisory</b>	<b>10</b>
	An allocation of time for TVAAS auditors to respond to ad hoc queries, requests for assistance, to attend DMT and other meetings etc.	
	<b>TOTAL ECONOMIC DEVELOPMENT AND COMMUNITIES</b>	<b>160</b>

## F COUNTER FRAUD

Fraud against the public sector can take many forms including fraud in relation to benefits, grants, procurement, blue badges, payroll and recruitment. To reduce the risk of fraud and corruption taking place, the Council has to demonstrate a strong anti fraud culture. TVAAS will assist the Council in establishing such a culture by:

- Ensuring that a counter fraud policy framework is in place that is up to date and reflects relevant legislation.
- Raising awareness amongst staff, suppliers, partners and other relevant parties of key fraud and loss risks and how to report any concerns.
- Carrying out an annual fraud and loss risk self assessment to identify the key risk areas for the Council and ensuring that audit resource is directed towards those areas.

Category	Audit Title	Days
CF	<b>Counter Fraud Strategy</b>	<b>5</b>
	An allocation of time to review and update the Council's counter fraud strategy framework and ensure that it reflects relevant legislation.	
CF	<b>Fraud and Loss Risk Self Assessment</b>	<b>10</b>
	An annual review of the main fraud risks facing the Council, the results of which will feed into the annual audit plan.	
CF	<b>National Fraud Initiative</b>	<b>15</b>
	An allocation of time for dealing with any data matching investigations arising from the NFI exercise.	
CF	<b>Fraud Awareness</b>	<b>5</b>
	An allocation of time to support the process of raising awareness of potential fraud risks. This time will relate to fraud warning bulletins and awareness raising sessions.	
CF	<b>Counter Fraud Reviews</b>	<b>20</b>
	An allocation of time to carry out reviews into areas that have been identified by the Council's fraud and loss risk self assessment as being a high or medium fraud risk (e.g. blue badges etc).	
	<b>TOTAL DAYS COUNTER FRAUD</b>	<b>55</b>

## G OTHER PRODUCTIVE WORK

In order to ensure that internal audit work remains focussed on the areas of greatest risk and that significant findings are highlighted with the appropriate officers, it is important that TVAAS managers have reporting and liaison mechanisms in place across the Council. This category includes time to prepare for and attend the Corporate Affairs and Audit Committee, officer groups and management meetings across the Council. Liaison with directorate contacts, external audit, risk management and performance management will also be required.

<b>Category</b>	<b>Audit Title</b>	<b>Days</b>
<b>LR</b>	<b>Corporate Affairs and Audit Committee</b>	<b>20</b>
	An allocation of time for the preparation and presentation of reports to and attendance at Corporate Affairs and Audit Committee. The allocation of time also relates to any development work required for the purposes of the Committee e.g. effectiveness reviews etc.	
<b>CA</b>	<b>Follow Up</b>	<b>25</b>
	An allocation of time to follow up on the implementation of previously agreed actions/recommendations.	
<b>LR</b>	<b>External Audit Liaison</b>	<b>7</b>
	Liaison with the new and outgoing external auditors for information sharing purposes and to avoid duplication of work.	
<b>ICC</b>	<b>Requests for Dispensation</b>	<b>20</b>
	An allocation of time for TVAAS to review the validity of requests from dispensation from the Council's contract procedure rules.	
<b>LR</b>	<b>Links with Risk Management and Performance Management</b>	<b>3</b>
	A provision of time for developing and strengthening the links between internal audit, risk management and performance management to ensure that audit work carried out is focused on areas of identified risk and performance concerns.	
<b>LR</b>	<b>Annual Audit Plan and Assurance Mapping</b>	<b>10</b>
	An allocation of time for the preparation, compilation and consultation of the annual internal audit plan. To compile and update the Council's assurance map in order to consider what gaps exist in internal audit's coverage and to set out an Assurance Framework which will detail what if any alternative sources of assurance exist within the Council and what additional assurance is needed.	

<b>Category</b>	<b>Audit Title</b>	<b>Days</b>
<b>LR</b>	<b>Audit Scheduling</b>	<b>10</b>
	An allocation of time for organising and agreeing the timing of the current year's audits.	
<b>LR</b>	<b>Governance Groups and Committees</b>	<b>5</b>
	An allocation of time for TVAAS staff to attend and contribute to the Council's working groups and committees (other than Corporate Affairs and Audit C'ttee) as required e.g. Corporate Improvement Group, Information Governance etc.	
	<b>TOTAL DAYS LIAISON AND REPORTING</b>	<b>100</b>

**TOTAL AUDIT DAYS 2015/16 - 1118**