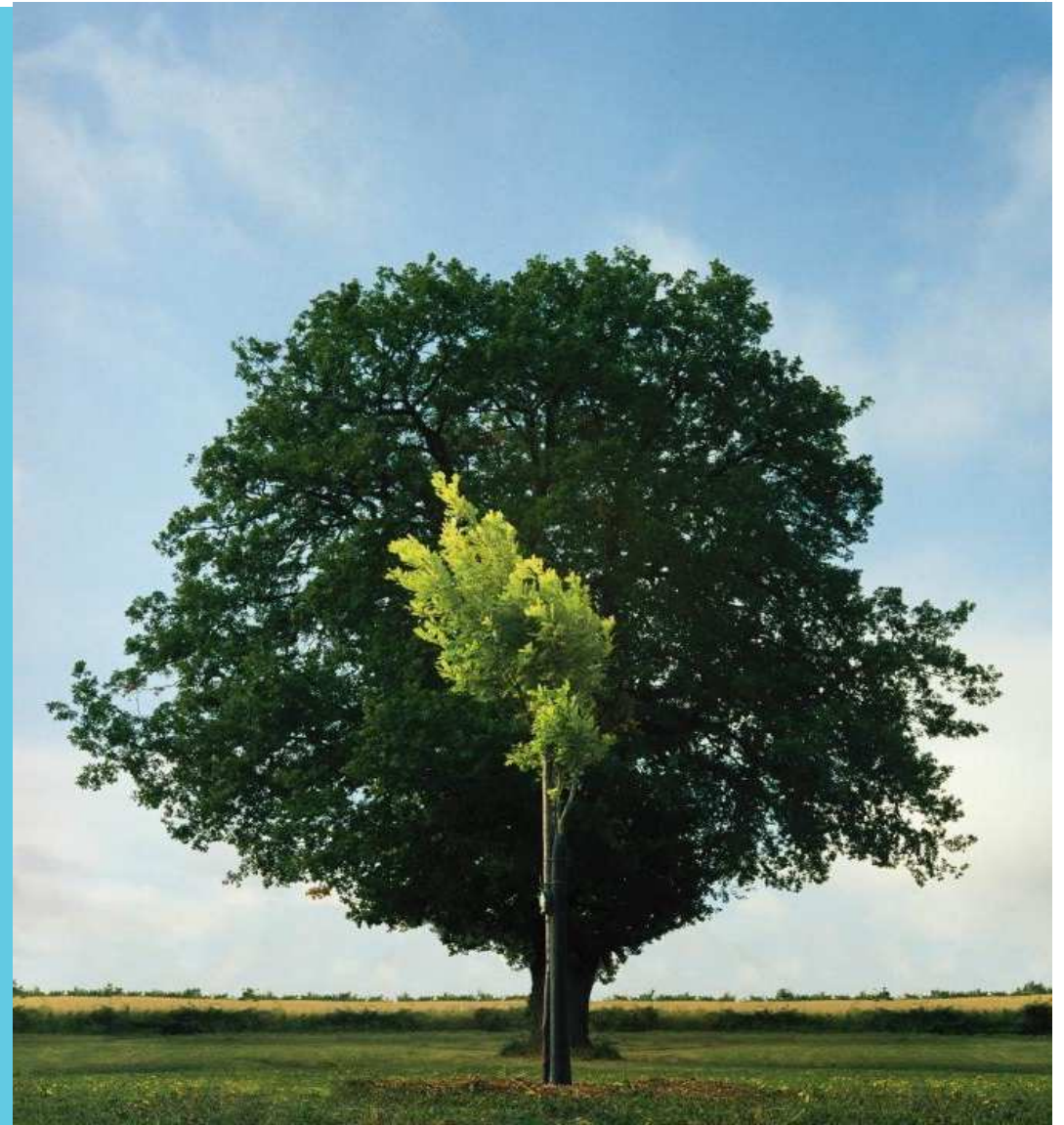


Brentwood Borough Council

INTERNAL AUDIT PLAN

2017- 2018 OPERATIONAL PLAN



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Restrictions of use

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

INTERNAL AUDIT APPROACH

Introduction

Our role as internal auditors is to provide independent, objective assurance designed to add value and improve your performance. Our approach, as set out in the Firm's Internal Audit Manual, is to help you accomplish your objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Our approach complies with best professional practice, in particular, CIPFA Internal Audit Standards and Public Sector Internal Audit Standards.

Internal Audit at Brentwood Borough Council

We have been appointed as internal auditors to Brentwood Borough Council (the 'Council') to provide the s151 officer, the Audit and Scrutiny Committee, the Head of Paid Service and other Heads of Service with assurance on the adequacy of internal control arrangements, including risk management and governance.

Responsibility for these arrangements remains fully with management, who should recognise that internal audit can only provide 'reasonable assurance' and cannot provide any guarantee against material errors, loss or fraud. Our role at the Council will also be aimed at helping management to improve risk management, governance and internal control, so reducing the effects of any significant risks facing the organisation.

In producing the internal audit plan for 2017-18 we have sought to further clarify our initial understanding of the business of Brentwood Borough Council together with its risk profile in the context of:

- The overall business strategy and objectives of the Council
- The key areas where management wish to monitor performance and the manner in which performance is measured
- The financial and non-financial measurements and indicators of such performance
- The information required to 'run the business'
- The key challenges facing the Council.

AUDIT RISK ASSESSMENT

Background

Our risk based approach to Internal Audit uses the Council's own risk management process and risk register as a starting point for audit planning as this represents the Council's own assessment of the risks to it achieving its strategic objectives.

The extent to which we can rely on management's own perception of risk largely depends on the maturity and effectiveness of the Council's own risk management arrangements. In estimating the amount of audit resource required to address the most significant risks, we have also sought to confirm that senior management's own assessment of risk accurately reflects Brentwood Borough Council's current risk profile.

Individual audits

When we scope each review, we will reconsider our estimate for the number of days needed to achieve the objectives established for the work and to complete it to a satisfactory standard in light of the control environment identified within the Council. Where revisions are required we will obtain approval from the appropriate Executive Director prior to commencing fieldwork.

In determining the timing of our individual audits we will seek to agree a date which is convenient to the Council and which ensures availability of key management and staff.

Variations to the Plan

Significant variations to the plan arising from our reviews, changes to the Council's risk profile or due to management requests will be discussed in the first instance with the s151 officer and approved by the Audit and Scrutiny Committee before any variation is confirmed.

Planned approach to creating the internal audit operational plan for 2017-18

The indicative Internal Audit programme for 2017-18 is shown from page 6 onwards . We will keep the programme under continuous review during the year and will introduce to the plan any significant areas of risk identified by management during that period. We will complete a Strategic Internal Audit Plan at a later date.



PROPOSED RESOURCES AND OUTPUTS

Staffing

The core team that will be delivering the programme to you is shown below:

Name	Grade	Telephone	Email
Greg Rubins	Partner	07710703441	Greg.Rubins@bdo.co.uk
Andrew Barnes	Senior Audit Manager	07912040848	Andrew.Barnes@bdo.co.uk
Angela Mason-Bell	Audit Manager	07813000319	Angela.Mason-Bell@bdo.co.uk
Angela Mitchell	Senior Auditor	07583180623	Anglea.Mitchell@bdo.co.uk

The core team will be supported by specialists from our national Risk and Advisory Services Team and wider firm as and when required.

Our indicative staff mix to deliver the programme for 2017/18 is shown below:

Grade	Annual days	Grade Mix (%)
Partner	29	10
Audit Manager	58	20
Team Leader	58	20
Auditors (including Qualified) & Specialist Staff	140	50
Total	285	100

Reporting to the Audit and Scrutiny Committee

We will submit the indicative Internal Audit Plan for discussion and approval by the Audit, Scrutiny and Transformation Committee in March 2016. We will liaise with the Executive Directors and other senior officers as appropriate to ensure that internal audit reports summarising the results of our visits are presented to the appropriate Audit, Scrutiny and Transformation Committee meeting.

Following completion of the Internal Audit programme each year we will produce an Internal Audit Annual Report summarising our key findings and evaluating our performance in accordance with agreed service requirements.

INDICATIVE INTERNAL AUDIT OPERATIONAL PLAN

We have detailed below our indicative operational audit plan, this covers some of the areas that we think will be important to you over the duration of the contract.


Area	2017/18	Risk Register Reference	Timing	Description of the Review
Transformation				
Main Financial Systems	40	Risk1	Qtr 4	Detailed review to include GL controls, system interfaces, journals etc as well as cyclical audits of debtors, creditors , payroll, budgetary control, treasury management, council tax and NNDR.
Risk Management and Governance Arrangements	10	All risks	Qtr 4	Review the process in place for risk management, including risk appetite, identification, mitigation .
Housing Benefits - shared service	10	Risk 1, 11	Qtr 3	Follow up review of the performance and operation of the shared service arrangement for delivering Housing Benefits, covering key controls around the processes in place for Housing Benefit payments.
Financial planning and budget monitoring	15	Risk 1	Qtr 1	A review focussing upon the adequacy and effectiveness of the monitoring of the continuing validity of the assumptions on which income and savings underpinning the medium and long term financial plans for the council are based such that anticipated income is being generated and cost savings are being met.
Customer service	10	Risk 1	Qtr 4	Review using specialists from our Advisory Team on the Council's progress with implementing the Customer Access Strategy.
Minimum Reserve Level	10	Risk 1	Qtr 1	Advisory review which will provide benchmarking information to support considerations of the Minimum Reserve Level.
Insurance	10	Risk 1	Qtr 2	Review of the Council's current insurance arrangements and whether these are adequate and appropriate for the Council's needs.
Disaster recovery, business continuity & IT Transformation	25	Risk 3, 13	Qtr 4	Assurance on the Council's disaster recovery plans and preparedness to manage an IT outage or loss of business critical systems. This review will also include a follow up review of the arrangements in place for the delivery of the Council's IT Transformation Programme.
Counter fraud	20	All risks	On-going	Fraud risk management assessment and preventative measures, e.g. presentations and advice on fraud.
Total	150			

INDICATIVE INTERNAL AUDIT STRATEGIC PLAN

Area	2017/18	Risk Register Reference	Timing	Description of the Review
Community and Health				
Partnerships	20	Risk 8	Qtr 3	Review the arrangements in place for the Council to effectively manage partnerships in place.
Parking strategy & Payment Collection	20	Risk 1, 7	Qtr 4	Review to cover the proposed car parking strategy and the payment collection arrangements and processes at the car parks.
Community Halls Viability	15	Risk 1, 7	Qtr 1	Review using our specialist Advisory Team to consider the proposed Leisure Strategy including the possible adoption of the management of Community Halls.
Total	55			
Environment and Housing				
Housing	20	Risk 1, 12	Qtr 1	Review to focus on the management of housing stock, including the controls around maintaining the asset register, and the processes around the collection and recording of housing rents.
Environment	15		Qtr 2	Review to focus on arrangements in place for Street Cleansing, fly-tipping and enforcement.
Total	35			
Economic Development				
Capital projects	15	Risk 13	Qtr 3	Review of progress with current capital projects e.g. the Town Hall project.
Total	15			
Planning and Licensing				
Planning and Licensing	TBC	Risk 2		Area last reviewed in 2016/17. No review planned for 2017/18.
Total				

INDICATIVE INTERNAL AUDIT STRATEGIC PLAN

Area	2017/18	Description of the Review
Audit Management		
Follow Up Work	10	Rolling programme of follow up, including testing of high and medium risk recommendations.
Audit Management	20	Planning, reporting, attendance at meetings.
Contingency	10	Time to allow increased scope and / or additional sample testing where further work is required.
Total	40	
Grand Total	295	



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