



REPORT TO EXECUTIVE

PORTFOLIO AREA: GOVERNANCE AND RESOURCES

Date of Meeting: 27 June 2011

Public

Key Decision: Yes

Recorded in Forward Plan:

Yes

Inside Policy Framework

Title: STRATEGIC AUDIT PLAN AND ANNUAL PLAN FOR 2011/12

Report of: ASSISTANT DIRECTOR (RESOURCES)

Report reference: RD18/11

Summary:

This report provides details of the updated Strategic Audit Plan and the proposed Audit Plan for 2011/12. The report was initially reviewed and agreed by the Audit Committee on 11th April 2011.

Recommendations:

Members are requested to:

- Note the Risk-Assessment Model attached as APPENDIX A.
- Consider the revised Audit Risk Assessment (Strategic Risk Based Plan), which is attached at APPENDIX B prior to submission to Council for approval.
- Approve the Internal Audit Plan for 2011/12, attached as APPENDIX C.

Contact Officer: Gill Martin
Audit Services Manager (Interim)

Ext: 7294

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None



AUDIT COMMITTEE

Public *

Date of Meeting: 11th April 2011

Title: STRATEGIC AUDIT PLAN AND AUDIT PLAN FOR 2011/12

Report of: Assistant Director (Resources)

Report reference: RD5/11

Summary:

This report provides details of the updated Strategic Audit Plan and the proposed Audit Plan for 2011/12.

Recommendations:

Members are requested to: -

- **Note the Risk-Assessment Model attached as APPENDIX A.**
- **Consider the revised Audit Risk Assessment (Strategic Risk Based Plan), which is attached at APPENDIX B prior to submission to Council for approval.**
- **Approve the Internal Audit Plan for 2011/12, attached as APPENDIX C.**

Contact Officer: Gill Martin
(Interim) Audit Services Manager

Ext: 7294

CITY OF CARLISLE

To: Audit Committee
11th April 2011.

RD 5/11

STRATEGIC AUDIT PLAN AND AUDIT PLAN 2011/12

1 INTRODUCTION

- 1.1 Under Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988, the Assistant Director (Resources) is statutorily responsible for the proper administration of the Council's financial affairs.
- 1.2 In addition, the Accounts and Audit Regulations 2011, require the Council to "*undertake an adequate and effective internal audit of its accounting records and of its systems of internal control in accordance with the proper practices in relation to internal control*".
- 1.3 Audit Services are an important resource in enabling the Assistant Director (Resources), the Audit Committee and the Council to fulfil their duties and it is important to ensure that the work of Audit Services is effective so as to give assurance of the probity of the Council's financial affairs. This applies whether these audit services are undertaken fully in-house, via a bought in or managed service or through shared service arrangements.
- 1.4 Carlisle City Council, Cumbria County Council and Copeland Borough Council have adopted a formal shared audit service to help facilitate an effective system of internal control. The Audit Plan has been formulated on the basis of the direct audit days available under revised arrangements.
- 1.5 It is appropriate that the annual Audit Plan should be presented to and approved by the Council's Audit Committee at the start of each financial year. This gives Members the opportunity to question the Assistant Director (Resources) who carries Section 151 responsibility and the Audit Services Manager on the proposed programme of Internal Audit work for the forthcoming year. It is also appropriate for Members of the Audit Committee to consider the "Audit Risk Assessment (Strategic Plan)" - prior to submission to the Council for approval.
- 1.6 Members should note that performance against the 2011/12 Audit Plan, together with any issues arising, will be reported to Committee on a quarterly basis.

2 STRATEGIC PLAN

- 2.1 In accordance with the provisions of the Accounts and Audit Regulations outlined in paragraph 1.1 above, the Authority is required to comply with the “CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom”. This Code states that *“Internal Audit should prepare a risk-based audit plan designed to implement the Audit Strategy which is approved by the organisation, taking into account the organisation’s risk - management process”*.
- 2.2 This Authority follows the above approach - which accords with current thinking in the Audit Profession - and plans only for one year ahead, based on the perceived and changing risks that the Authority is facing at any given time. The agreed method is to use a risk-assessment model to calculate the relative risk related to each area of the Authority’s activities subject to audit review.
- 2.3 Full details of the Risk Assessment Model which has been used is attached for Members’ information as **Appendix A**. The model itself is in line with a version that has been endorsed by CIPFA and by the Institute of Internal Auditors (IIA-UK).

3 RISK ASSESSMENT MODEL

- 3.1 The Strategic Plan (entitled “Audit Risk Assessment – Strategic Risk Based Plan”), outlined as **Appendix B**, has been prepared in line with best audit practice. Individual audit areas featured in the Strategic Audit Plan have been updated based on:
- Risk impact and likelihood as detailed in the Corporate and Operational Risk Registers
 - Known changes to management, systems and procedures;
 - Findings arising from previous audit reviews, last time reviewed, likely benefits of an audit in this area etc.
 - Current cost of the service, the amount of income generated and number of transactions processed.
- 3.2 Assistant Directors have reviewed and commented on the Strategic Audit Plan for their respective directorates. Reference has been made to those systems that have been identified by directorates as being business critical. Transformational changes which will impact of intended audit work during 2011/12 have also been factored into the Plan.
- 3.3 It is stressed that this Strategic Risk Based approach to audit planning does **not** provide coverage of all audit areas within a given period i.e. 2011/12. Instead, this model is dynamic and to some extent subjective in areas. It identifies the “risk-areas” which can be addressed over any given time-scale, ad-hoc demands etc with the amounts of audit resources available for the year (see 3.6). Also, 2011/12 will provide an opportunity for

audit reviews to be grouped together to develop the “theme-based” approach across the Audit Shared Service.

- 3.4 The Audit Risk Assessment – Strategic Risk Based Plan is attached as **Appendix B**. This is presented in two parts.

Part A - General / Corporate Audits (pages 13 - 20)

Part B – ICT Audits (page 21)

- 3.4.1 General / Corporate Audits (Part A) lists 105 potential areas for review for which the calculated Risk Indicators range from 5 to 87. This gives a range of 83 “risk-points” between the highest and lowest risks, from which the high, medium and low risks have been calculated as follows:-

RISK LEVEL	RISK POINT RANGE	NUMBER OF REVIEWS	%
HIGH	From 51 to 87	24	23
MEDIUM	From 31 to 50	31	29
LOW	From 5 to 30	50	48
TOTAL	From 5 to 87	105	100

- 3.4.2 ICT Audits (Part B) lists 22 potential ICT audit areas for review for which the calculated Risk Indicators range from 12 to 69. This provides a range of 58 risk points between the highest and lowest risks.

RISK LEVEL	RISK POINT RANGE	NUMBER OF REVIEWS	%
HIGH	From 69 to 50	5	23
MEDIUM	From 49 to 31	2	9
LOW	From 30 to 21	15	68
TOTAL	From 12 to 69	22	100

Audit Days Available

- 3.5 In terms of overall coverage, **Appendix C** reflects that the agreed 519 audit days available under the shared service arrangements, plus an additional 16 days (3% expected efficiencies) which should be generated from shared service efficiencies in 2011/12. This, in total provides for an Annual Audit Plan of 535 direct audit days.

3.6 The figures reflect that the total time to be utilised during 2011/12 will facilitate the completion of:

High risk audit reviews	247days	
Material reviews	140 days	<i>see para 3.6.1.</i>
Medium / low risk audit reviews	40 days	<i>see para 3.6.2.</i>
ICT audit reviews	30 days	<i>see para 3.6.3</i>
Audit Management	40 days	<i>see para 3.6.4.</i>
Contingency	28 days	<i>see para 3.6.5.</i>
Follow up audits	<u>10 days</u>	
	<u>535 days</u>	

- 3.6.1 The “material reviews” are fundamental to attaining good corporate governance and stewardship in achieving accountability and transparency. These systems have a high impact on the main financial system and therefore on the Authority’s accounts. These reviews are undertaken regardless of their “risk-score” on an annual basis as required by the Audit Commission. There are *12 material audits scheduled for completion in 2011/12, a full list of which is provided in Appendix B. Members should note that the time allocations provided against individual material reviews is, at this stage, indicative of past reviews. Whilst these time allocations may be revised depending upon the scope of the 2011/12 reviews and level of assurance attained from the 2010/11 audit process, the overall planned time spent against material audits will remain at 140 days.
- 3.6.2 Following the risk based approach, a significant number of audit areas are categorised as “low-risk” – see table at 3.4. It is extremely unlikely that these would ever to rank highly enough to warrant an audit review based on their current risk indicator. A revised approach to “low-risk” reviews was agreed by Members at the meeting of this Committee in April 2008. An allowance of 40 days is now included in the Annual Plan to review a small number of low-risk areas in order to gain assurance that the risk-model is operation accurately at both “ends of the scale”.
- 3.6.3 The plan of ICT audits is maintained separately to the main Risk Based Audit Plan in order to ensure time is spent on specific ICT related areas. A block of 30 days has been allocated for ICT reviews and 3 audit areas have been selected for review based on the outcome of the risk assessment model and adherence to standard audit planning process (two high risks and 1 low risk ICT audits have been selected for review). A joint approach will be facilitated with Allerdale Borough Council for ICT audits wherever possible.
- 3.6.4 Audit Management time of 40 days has been allowed for in the Plan for the purpose of Audit Committee preparation / reporting and attendance, producing the Strategic Audit Plan and other audit management time.

- 3.6.5 An allocation of 28 days has been made to contingency. This time will be used to address unplanned work arising during the year. This might include fraud, investigations, value for money and other support. Any significant extra demands on audit time which are made during the year will be recorded and reported to members in the quarterly Audit Services progress reports and any significant variances will be authorised by the Assistant Director (Resources) as necessary.
- 3.7 At the commencement of each review, an Audit Brief will be prepared and subsequently agreed with/by the Audit Manager based on the system/s in operation, perceived risks, changes since previous review etc. A view will then be taken as to the time available to carry out the review. It is the responsibility of the Audit Manager to ensure that time taken on each review is reasonable.

4 RECOMMENDATIONS

4.1 Members are requested to:-

- Note the Risk-Assessment Model attached as **APPENDIX A**
- Consider the “Audit Risk Assessment – Carlisle City Council Strategic Risk Based Plan 2011/12” that is attached at **APPENDIX B** prior to submission to Council for approval.
- Approve the Audit Plan for 2011/12, attached as **APPENDIX C**.

Assistant Director (Resources)

April 2011.

AUDIT RISK ANALYSIS MODEL

APPROACH

The purpose of audit risk analysis is to determine a schedule of priorities for audit attention thereby allowing the creation of an Audit Plan.

The model was developed by Business Risk Management Ltd in 2002 – taking into account the best practice from other models and verifying the results with hundreds of internal audit functions. The model has been regularly updated is used by at least 1,000 internal audit functions across the world.

The model is predicated on the basis that all risks are relative but that they can be compared by combining three key factors: -

1. The size of the risk or exposure.
2. The likelihood that the risk will materialise and
3. The probability of the consequences being detected if the risk does materialise.

Each of these 3 factors is given an equal overall weighting to reflect the fact that audit assessment is a combination of risk and control.

The risks in each function or system throughout the Authority are then evaluated to create a score for each of the three categories above. The sub-categories are given different weightings to reflect their relative importance.

RISK MODEL METHODOLOGY

For each business function or topic in the audit universe, assess the following criteria and enter scores into the excel model. There are 3 sections to be considered (1) Size, (2) Control and (3) Detection.

1. SIZE: *parameters relating to the size of the exposure or risk*

A = Value of income or expenditure, or size of budget

B = Number of employees involved

C = Impact per the risk matrix

D = Volume of transactions

A Value of service / transactions processed.

This identifies whether the service is income or expenditure driven. Where it is a corporate services or concept where such a value can not be easily determined, these audit areas have been scored “middle of the road” i.e. 3.

- 1: up to £5K
- 2: £5K - £25K
- 3: £25k - £250K
- 4: £250K - £500K
- 5: over £500K

(Above score carries a weighting of 2.)

B Number of employees involved in the activity

The rationale is that the more employees are involved in processing transactions in the area under review, the greater chance of error etc – and the greater the risk.

- 1: 1 member of staff
- 2: 2 - 5 members of staff
- 3: 6 – 10 members of staff
- 4: 11 – 20 members of staff
- 5: more than 20 members of staff

C Impact score from the risk matrix.

Impact upon the Organisation as per the risk matrix: i.e. if something were to go wrong in the area under review what would be the potential impact on the business.

Using the Strategic and Operational Risk Registers, those audit areas which have been formally identified and prioritised in terms of the impact such a risk would have on the Authority / service area.

- 1: negligible
- 2: marginal
- 3: critical
- 4: catastrophic

(Above score carries a weighting of 3).

D Volume of Transactions.

The rationale is that the greater the number of transactions processed in the area under review, the greater chance of error etc – and the greater the risk

Estimated Transactions:

- 1: up to 1,000 transactions per year
- 2: 1,000 – 5,000 transactions per year
- 3: 5,000 – 25,000 transactions per year
- 4: 25,000 – 50,000 transactions per year
- 5: over 50,000 transactions per year

2. CONTROL: parameters relating to the likelihood of the risk materialising

F = Impact of Management and Staff

G = Third Party Sensitivity

H = Standard of Internal Control

J = Likelihood of Occurrence per Risk Matrix

F Management and Staff:

This involves making an audit judgement which considers:

- Quality of Management
- Extent of Staff Turnover
- Length of time system has been operational within the business
- Degree of expressed concern by management
- Extent of use of external suppliers and/or contractors on sensitive systems
- Management's attitude to risk taking
- Morale of Staff

Score on a range of `1' to `5' where `1' represents top quality management and staff with low turnover of both, in an operation which has been in existence for more than three years and about which no known concern is being expressed.

1: Very Good

2: Good

3: Average or effectiveness not known

4: Concerns

5: Considerable concerns

(Above score carries a weighting of 2).

G Third Party Sensitivity

This involves making an audit judgement which considers:

- Tax Implications
- Extent of Regulatory requirements
- Legal Implications
- Political Sensitivity
- Impact of community and other stakeholders
- Partnerships
- Joint Ventures

Score on a range `1' to `5' where 1 means there are no tax legal, regulatory or other third party implications & `5' means that very significant third party sensitivity is present.

1: Negligible

2: Marginal

3: Average or sensitivities not known

- 4: Sensitive
- 5: Extremely Sensitive

H Standard of Internal Control

This involves making an audit judgement which considers:

- Means of authority to commit (e.g. none, sole, sole with review, dual, Committee)
- Extent of losses
- Scope for intentional manipulation
- Vulnerability to fraud
- Degree of technical sophistication of systems
- Extent to which standard systems are being used
- Extent to which operating manuals are complied with
- Extent of recent reorganisations and systems changes
- Known factors which should ring warning bells
- Reliability of last internal control review
- Extent of weaknesses highlighted in last internal control review
- Strength of accounting systems
- Extent of formal procedures
- Impact wide ranging across directorates

1: Excellent with no known significant re-organisations or systems changes; little known scope for intentional manipulation.

2: Above average with standard systems in use throughout.

3: Sound

4: Known or suspected to be weak

5: Known or suspected to be very unsound

(Above score carries a weighting of 3).

J Measure of Likelihood of occurrence as per Risk Matrix

Using the Strategic and Operational Risk Registers, those audit areas which have been formally identified and prioritised in terms of the likelihood such a risk would have on the Authority / service area.

1.: Extremely Remote

2: Remote

3: Reasonably Probable

4: Probable

(Above score carries a weighting of 3).

3. DETECTION: *parameters relating to the probability of unwanted consequences being detected if they do materialise.*

K= Likely effectiveness of internal audit

L= Duration of the audit

M = Length of time since last audit

N = Effectiveness of other assurance providers

K Likely effectiveness of internal audit/ complexity of the audit area:

- Extent to which relevant specialist skills are available to internal audit
- Knowledge of business and experience of staff to conduct a competent audit

Score on a range `1' to `5' with a score of `1' if there are no significant constraints that are likely to preclude doing an effective audit. i.e. a well-established function with fully experienced and trained staff with a good knowledge of the business together with receptive and focused line management.

L Likely duration of audit work

- 1 = 5 days
- 2 = 10 days
- 3 = 15 days
- 4 = 20 days
- 5 = more than 20 days

(Above score carries a weighting of 2).

M Time since last Audit

- 1 = Reviewed in the last 12 months.
- 2 = Reviewed 1 – 2 years ago.
- 3 = Reviewed 2 – 3 years ago.
- 4 = Reviewed 3 – 4 years ago.
- 5 = More than 4 years ago or a new audit area.

(Above score carries a weighting of 2).

N Other Assurance Providers

- 1 = regular compliance, QA and other audits with no significant findings
- 2 = regular compliance, QA and other audits with some significant findings
- 3 = no other audit work completed
- 4 = regular compliance, QA and other audits with many significant findings
- 5 = continual significant problems identified by assurance reviews.

(Above score carries a weighting of 2).

FORMULA USED FOR CALCULATION OF OVERALL RISK SCORE

The scores are entered into this calculation matrix. Certain of the criteria are weighted e.g. A is given a weighting twice the norm and H treble the norm.

The basis of the scoring takes into account that each of the elements (size, control and detection) is given equal importance.

Therefore, each element has a maximum score of 1

Size for example will be $(2 \times 5 + 5 + 3 \times 5 + 5) / 35 = 1$

The overall results (for each audit evaluated) are then entered into the Audit priority schedule

<u>SIZE</u>		<u>CONTROL</u>		<u>DETECTION</u>
$\frac{(2A + B + 3C + D)}{32}$	X	$\frac{(2F + G + 3H + 3J)}{42}$	X	$\frac{(K + 2L + 2M + 2N)}{35}$

THE RESULT IS THEN MULTIPLIED BY 200

**CARLISLE CITY COUNCIL
SUMMARY STRATEGIC RISK BASED AUDIT PLAN 2011/12 (PART A)**

APPENDIX B

<u>ID</u>	<u>Directorate</u>	<u>Section</u>	<u>Audit Area</u>	<u>Audit Days</u>	<u>Risk Score</u>	<u>Comments</u>
143	Local Environment	Waste Services	Recycling	15	87	
78	Resources	Property & Facilities Mgmt	Asset Management	15	87	
2	Com. Engagement	Customer Services	Customer Contact Centre	15	82	Rolled forward from 2010/11 - KG suggest time spent on reviewing progress on migration policy & future developments
150	Resources	Corporate	Improvement & Efficiency Programme	15	78	New
112	Resources	Corporate	Partnerships	10	70	Reviewed in 2010/11 - follow up
106	Governance / Resources	Legal / Financial Services	Tendering / Contracting	10	67	
37	Local Environment	Waste Services	Refuse Collection	10	66	
42	Local Environment	Highways	Highways Contract & Claimed Rights	15	66	
5	Local Environment	Highways	Street Cleaning	10	64	
152	Resources	Financial Service	Capital Resources / Programme	15	63	
86	Resources	Property & Facilities Mgmt	Industrial Estates	10	61	
20	Com. Engagement	Museums and Gallery	Tullie House	10	61	Discussed with Assistant Director - specific focus on the Collections Agreement
4	Com. Engagement	Community, Housing & Health	Community Support	10	60	Discussed with Assistant Director - service downsized. Main focus is Community Centre agreements and funding arrangements

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29	Local Environment / Resources	Financial Services	Insurance (inc highways)	10	59	Brought forward from 2010/11
151	Resources	Corporate	ICT Shared Service / Service Level Management	5	58	
26	Resources	Property & Facilities Mgmt	Facilities Management / Building Maintenance	10	57	
19	Economic Development	Planning	Local land and Conservation	0	55	Staffing changes / downsizing function. Agreed to leave review until 2012/13
44	Resources	Financial Services	Procurement	15	54	
127	Economic Development	Carlisle Renaissance	Carlisle Renaissance (individual projects)	0	54	Function greatly downsized and subject to external review. Agreed audit input in 2011/12 restricted.
93	Economic Development	Business & Employment	Business & Employment Development	0	53	Function downsized and staffing changes. Agreed to leave review until 2012/13
125	Chief Executive's Team	Corporate	Risk Management Arrangements	10	53	
85	Com. Engagement	Community, Housing & Health	Supporting People (Grants, Hostels, Homeshares & Mgmt of Resource Centre)	15	52	Grant linked with County.
18	Com. Engagement	Community, Housing & Health	Events	10	52	
15	Local Environment	Bereavement Services	Crematorium & Cemeteries	12	51	>50 = higher risk
45	Resources	Financial Service	VAT	10	49	Medium risk to be completed in 2011/12
82	Resources	Property & Facilities Mgmt	Letting of Corporate Properties	10	49	
113	Policy & Performance	Policy	Organisational Development & Corporate Training	10	48	

<u>ID</u>	<u>Directorate</u>	<u>Section</u>	<u>Audit Area</u>	<u>Audit Days</u>	<u>Risk Score</u>	<u>Comments</u>
141	Local Environment	Waste Services	Special Collections	5	48	
81	Resources	Financial Services	External Grant Funding	5	48	Medium risk to be completed in 2011/12
9	Local Environment	Highways	Public / Street Lighting	10	46	
25	Com. Engagement	Sports & Leisure	Sports Development	5	45	
12	Com. Engagement	Community, Housing & Health	Children & Young People (inc summer playschemes)	10	45	
84	Economic Development	Planning	Development Control	10	43	Audit support to assist in VFM review of Development Control requested.
109	Chief Executive's Team	Corporate	Business Continuity Planning (Inc IT Recovery)	10	42	
137	Governance	Governance	Sustainability / Carbon Reduction	5	42	
28	Local Environment	Highways	CCTV	8	41	
100	Governance	Democratic Services	Electoral Registration & Administration	10	41	
133	Com. Engagement	Community, Housing & Health	Affordable Housing	5	41	
80	Economic Development	Tourism	Carlisle Tourism Partnership	8	40	
111	Com. Engagement	Carlisle Partnership	Community Safety & Anti Social Behaviour - CDRP	8	40	
8	Local Environment	Environmental Services	Pollution Control & Contaminated Land)	5	40	

<u>ID</u>	<u>Directorate</u>	<u>Section</u>	<u>Audit Area</u>	<u>Audit Days</u>	<u>Risk Score</u>	<u>Comments</u>
88	Economic Development	Planning	Building Control	10	39	
108	Governance	Democratic Services	Committee Reporting Arrangements	8	39	
90	Com. Engagement	Community, Housing & Health	Riverside / Carlisle Partnership Agreement	5	39	
34	Resources	Resource Planning	Garage - Transport and Plant	10	37	
119	Chief Executive's Team	Policy	Information Management	8	37	
30	Local Environment	Environmental Services	Pest Control	5	37	Low risk - brought forward from 2011/11
117	Resources	Corporate	Sickness Monitoring	5	35	
154	Resources	Property & Facilities Mgmt	Civic Centre	5	35	
22	Local Environment	Environmental Services	Food Standards	10	34	
140	Local Environment	Street Scene	Area Maintenance	10	34	
124	Chief Executive's Team	Policy	Equality and Diversity	5	34	
110	Chief Executive's Team	Policy	Communications	8	33	
147	Resources	Corporate	Use of Casuals, Interim & Agency Workers	5	33	New area
83	Com. Engagement	Carlisle Partnership	Health Promotion & Partnerships	5	31	

<u>ID</u>	<u>Directorate</u>	<u>Section</u>	<u>Audit Area</u>	<u>Audit Days</u>	<u>Risk Score</u>	<u>Comments</u>
116	Governance	Governance	Health & Safety	10	31	
66	<i>Governance</i>	<i>Corporate</i>	<i>Compliance to Codes of Conduct</i>	5	30	
46	Resources	Corporate	Telephones / Mobiles	10	30	
102	Governance	Governance	Land Charges	10	30	
1	Com. Engagement	Sports & Leisure	Leisuretime/Carlisle Leisure (client)	5	29	
3	Local Environment	Green Spaces	Grounds & Arboriculture	10	29	
48	Resources	Corporate	Corporate Printing	10	29	
67	Resources	Financial Service	Recharges	5	28	
114	Resources	Personnel	Early Retirement & Redundancy	10	27	
36	Resources	Resource Planning	Stores	5	26	
107	Governance	Governance	Gifts and Hospitality	5	26	
123	Chief Executive's Team	Policy	Emergency Planning	3	25	
23	Resources	Property & Facilities Mgmt	Building Resources / Cleaning	10	24	
31	Local Environment	Environmental Services	Dog Policy	5	24	

<u>ID</u>	<u>Directorate</u>	<u>Section</u>	<u>Audit Area</u>	<u>Audit Days</u>	<u>Risk Score</u>	<u>Comments</u>
146	Resources	Corporate	CRB Compliance	5	23	Low risk to be completed in 2011/12
136	Economic Development	Tourism	Tourist Information Centres (Carlisle & Brampton)	8	23	
120	Resources	Service Support	PAYE & NI	10	23	
52	Resources	Financial Service	Corporate Charge Card	5	22	
144	Resources	Human Resources	Recruitment & Retention	8	21	
77	Resources	Financial Services	Income Management & Cash Collection	10	19	
145	Resources	Corporate	Shared Services Monitoring	10	19	
38	Local Environment	Green Spaces	Talkin Tarn & Boathouse Tea Room	10	19	
149	Resources	Corporate	Web Site Developments	5	19	New area
155	Resources	Property & Facilities Mgmt	Lanes	3	18	
118	Resources	Service Support	Flexitime	3	18	
135	Economic Development	Planning	Local Plans	5	18	
153	Resources	Human Resources	Human Resources / Workforce Strategy	10	17	
129	Com. Engagement	Carlisle Partnership	Local Strategic Partnership / Carlisle Partnership	8	16	

<u>ID</u>	<u>Directorate</u>	<u>Section</u>	<u>Audit Area</u>	<u>Audit Days</u>	<u>Risk Score</u>	<u>Comments</u>
134	Com. Engagement	Revenues	Revenues Recovery	8	15	
128	Chief Executive's Team	Organisational Development	Member Learning & Development	5	15	
87	Economic Development	Business & Employment	Enterprise Centre	8	15	
101	Governance	Governance	Licensing	10	15	
105	Governance	Democratic Services	Payments to Members	5	14	
156	Resources	Property & Facilities Mgmt	Land Lettings	5	14	
91	Resources	Property & Facilities Mgmt	Market	3	14	
10	Com. Engagement	Community, Housing & Health	Advice Agencies (inc Benefits Advice, Law Centre, CAB)	3	14	
138	Local Environment	Highways	Park Patrols and Play Areas	10	13	
121	Resources	Service Support	Non Standard Payments to Employees	10	13	
51	Resources	Financial Service	Grants to Parish Councils	5	13	
130	Com. Engagement	Carlisle Partnership	Abandoned Vehicles	5	13	
21	Local Environment	Green Spaces	Allotments	5	12	
11	Local Environment	Highways	Land Drainage	5	12	

<u>ID</u>	<u>Directorate</u>	<u>Section</u>	<u>Audit Area</u>	<u>Audit Days</u>	<u>Risk Score</u>	<u>Comments</u>
103	Governance	Democratic Services	Mayor & Civic Administration	5	12	
139	Local Environment	Street Scene	Pedestrianisation	5	11	
47	Resources	Financial Services	Car Leasing/Car loans	3	11	
35	Resources	Property & Facilities Mgmt	Public Conveniences	5	11	
115	Com. Engagement	Customer Services	Council Complaints Procedure inc LG Ombudsman	5	11	
6	Resources	Property & Facilities Mgmt	Building Security (inc Keepers)	5	9	
104	Governance	Governance	Town Twinning/Youth Exchange	3	8	
122	Resources	Service Support	Salary Sacrifice Schemes	5	8	
97	Economic Development	Planning	Shopmobility	2	5	

STRATEGIC AUDIT PLAN (PART B) - ICT AUDIT REVIEWS

<u>ID</u>	<u>Directorate</u>	<u>Section</u>	<u>Audit Area</u>	<u>Audit Days</u>	<u>Total Risk Calculated Score</u>	<u>Comments</u>
ICT 19	Resources	ICT	Service Continuity	10	69	
ICT 1	Resources	ICT	Project Management	15	58	
ICT 2	Resources	ICT	Post Implementation Review	10	57	
ICT 6	Resources	ICT	Network Controls	10	53	High risk - selected for review in 2011/12
ICT 3	Resources	ICT	IT Strategy	10	51	High risk - selected for review in 2011/12
ICT 4	Resources	ICT	Physical and Environmental Management	10	41	>50 = higher risk
ICT 5	Resources	ICT	Change Management	10	35	
ICT 17	Resources	ICT	System Security	10	27	
ICT 20	Resources	ICT	Data Management	10	24	
ICT 22	Resources	ICT	Acquire, implement and maintain application software	10	23	
ICT 18	Resources	ICT	Operations Management	10	21	
ICT 21	Resources	ICT	Performance & Capacity Management	10	21	
ICT 7	Resources	ICT	Application Controls	10	18	
ICT 8	Resources	ICT	E-Government	10	17	
ICT 9	Resources	ICT	Internet Mgmt & Controls	10	17	
ICT 10	Resources	ICT	File Controls	10	17	
ICT 11	Resources	ICT	PC Controls	10	17	
ICT 12	Resources	ICT	IT Management and Financial Controls	10	16	
ICT 13	Resources	ICT	Infrastructure	10	16	
ICT 14	Resources	ICT	Configuration Management	15	16	
ICT 15	Resources	ICT	Service Desk, Incident and Problem Management	10	16	Low risk - selected for review in 2011/12

APPENDIX C**CARLISLE CITY COUNCIL**
DRAFT AUDIT PLAN 2011/12

<u>Ref</u>	<u>Directorate</u>	<u>Section</u>	<u>Audit Area</u>	<u>Total Risk Score</u>	<u>Audit Days</u>	<u>Comments</u>
<u>High Risk Areas</u>						
143	Local Environment	Waste Services	Recycling	87	15	
78	Resources	Property & Facilities Mgmt	Asset Management	87	15	
2	Com. Engagement	Customer Services	Customer Contact Centre	82	15	Rolled forward from 2010/11
150	Resources	Corporate	Transformation	78	15	New Area
112	Resources	Corporate	Partnerships	70	10	
106	Governance/Resources	Legal / Financial Services	Tendering & Contracting	67	10	
37	Local Environment	Waste Services	Refuse Collection	66	10	
42	Local Environment	Highways	Highways Contract & Claimed Rights	66	15	
5	Local Environment	Highways	Street Cleaning	64	10	
152	Resources	Financial Services	Capital Resources / Programme	63	15	
86	Resources	Property	Industrial Estates - lettings	61	10	
20	Com. Engagement	Museums and Gallery	Tullie House	61	10	Initial work started in 2010/11
4	Com. Engagement	Com. Housing & Health	Community Support	60	10	
29	Local Env. / Resources	Financial Services	Insurance (inc highways)	59	10	Initial work started in 2010/11
151	Resources	Corporate	ICT Shared Service / Service Level Management	58	5	
26	Resources	Property & Facilities Mgmt	Facilities Management / Building Maintenance	57	10	Initial work started in 2010/11
44	Resources	Financial Service	Procurement	54	15	
81	Chief Executive's Team	Financial Service	Risk Management Arrangements	53	10	
85	Com. Engagement	Com. Housing & Health	Supporting People (Hostels & Resource Centre)	52	15	
15	Local Environment	Bereavement Services	Cemeteries, Crematorium	51	12	
18	Com. Engagement	Com. Housing & Health	Events	52	10	
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45	Resources	Financial Service	VAT	49	10	
30	Local Environment	Environmental Services	Pest Control	37	5	Rolled forward from 2010/11
146	Resources	Corporate	CRB Compliance	23	5	Pre agreed for 2011/12
-			External Grant Funding	48	5	Quality checking of grants
-			National Fraud Initiative (NFI)	-	15	

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77	Resources	Financial Services	Income Management & Cash Collection	12
70	Resources	Financial Services	Fixed Assets	12
69	Resources	Financial Services	Main Accounting System	15
71	Com. Engagement	Revenues	Housing & Council Tax Benefits	12
76	Resources	Financial Services	Treasury Management	8
74	Resources	Service Support	Creditors	8
92	Com. Engagement	Housing	Housing Regeneration (Improvement grants)	8
126	Resources	Service Support	Payroll	10
73	Resources	Service Support	Debtors	8
75	Com. Engagement	Revenues	NNDR	10
72	Com. Engagement	Revenues	Council Tax	12
16	Local Environment	Highways	Car Parking	10
			Contingency	15

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ICT Reviews

ICT 3	ICT	IT Strategy	10
ICT 6	ICT	Network Controls	10
ICT 15	ICT	Service Desk, Incident & Problem Management	10
TOTAL DAYS FOR ICT			30
CONTINGENCY			28
AUDIT PLANNING, REPORTING, COMMITTEES			40
FOLLOW UPS			10
TOTAL AUDIT DAYS			535