

AUDIT CATEGORY				%
Total available days less leave etc			616	
PLANNED AUDITS/ AUDIT WORK				
Systems	280			
Regular & Ad Hoc audit work	20			
V.F.M	0	300	300	48.70%
CONTINUOUS AUDIT				
a. Routine Checks	4			
b. Small Systems Review	0	4	4	0.65%
SPECIALIST AREAS				
a. Computer				
i. Development	32			
ii. Audit	8	40	40	6.49%
b. Contract				
i. Final Account/Procedure Rules	32			
ii. Current Audit	12	44	44	7.14%
MANAGEMENT				
Audit	15			
Other	45	60	60	9.74%
OTHER				
Special Investigations	30			
Contingency	12	42	42	6.82%
TRAINING, FURTHER EDUCATION ETC				
Seminars and Meetings	20	20		
Training -C.P.E	10			
Further Education	0			
In-House	16	26	46	7.47%
ROUTINE DUTIES				
External Audit		14		
General Office Duties		15		
Internal Check-Payroll		4		
Cash Office Duties		6		
Procurement		3		
Paid Cheque enquiries		3		
Security		11		
Other		24	80	12.99%
TOTAL			616	100.00%
Revisions to the plan are in bold type				

AUDIT CATEGORY	Risk Level	SYSTEM EVALUATION & TESTING	NEW SYSTEM DOCUMENTATION AND IAS Work	REGULAR & ADHOC AUDIT WORK
CHIEF EXECUTIVE				
ELECTIONS				
Register of Electors	Low			
Elections	Low			
LEGAL				
Land Charges	Medium			
Members Allowances	Low	10		
ECONOMIC DEVELOPMENT				
Industrial estates	Low			
DEVELOPMENT SERVICES				
TECHNICAL SERVICES				
Facilities and Development				
Recreation Services - Client	Medium			
Grounds Maintenance	Low			
Leisure Centre - Client	Low			
Cemeteries	Low			
Allotments	Low			
Markets - Client	Low			
Civic Halls - Swadlincote Town Hall	Low			
Etwall pool	Low			8
Direct Services				
Trade Refuse and Recycling	Low			
Refuse collection	Low			
Transport and Vehicle Workshop	Low			
Depot - General (Stores, Security etc)	Medium			
PLANNING				
Building Control	Low			
Planning Fees	Low			
Planning general	Low			
COMMUNITY SERVICES				
COMMUNITY AND LDM				
National Forest Centre	Low	8		8
Single Regeneration Budget (ending 2003)	Low			

AUDIT CATEGORY	Risk Level	SYSTEM WORK	NEW SYSTEM DOCUMENTATION & TRAINING and IAS work	REGULAR & ADHOC AUDIT WORK
ENVIRONMENTAL HEALTH				
Improvement Grants	Low			
Lullington Gypsy Site	Low			
General (pest control)	Low			
HOUSING				
Rent accounting	High	15	10	
Housing Administration	Low			
Foston Gypsy Site	Low			
Warden Controlled Schemes (Incl Piper HAS)	Low			
Housing Repairs	High	10	5	
Sale of Council Houses	Low			
FINANCE				
REVENUE				
Recovery - Council Tax & NNDR	Low		5	
N.N.D.R	Medium	8	4	
Sundry Debtors	High	15	8	
Cash	Medium	10	5	
Housing Benefits	Medium	20	6	
Bus Passes	Low			
Council tax	Medium	15	8	
FINANCIAL SERVICES				
Expenditure:				
Payroll (Salaries)	High	10	5	
Payroll (Wages)	High	10		
Creditors	High	20	10	
H.A.A.	Low			
Car Allowances	Low			
Subsistence	Low			
Car Leasing	Low			
Car Loans	Low			

AUDIT CATEGORY	Risk Level	SYSTEM WORK	NEW SYSTEM DOCUMENTATION & TRAINING and IAS work	REGULAR & ADHOC AUDIT WORK
General:				
Treasury Management	Low	8	4	
Inventories	Low			4
Leasing - general	Low			
Bank Reconciliation & Bank Charges	High	4	5	
Insurance's	Low			
Grant Claims	Low			
Capital Accounting	Medium			
Budgetary Control	High	8	5	
Accounting System	High	12	10	
VAT.	High	5	2	
Special Areas:				
Contract -				
Partnering				
TOTALS System		188	92	
Regular				20
Management (vfm etc.)		0		
GRAND TOTAL				300
<p>All High risk audits are where new systems are being introduced this year with no known level of internal control. This years plan concentrates on all these fundamental financial and core process systems. The Revenue systems have again been delayed . The plan incorporates the agreed time to meet the IAS documentation requirement as requested by the Audit Commission. This year the programme of local audits has been reduced to accomodate this.</p>				

AUDIT CATEGORY				%
Total available days less leave etc			616	
PLANNED AUDITS/ AUDIT WORK				
Systems	265			
Regular & Ad Hoc audit work	35			
V.F.M	0	300	300	48.70%
CONTINUOUS AUDIT				
a. Routine Checks	15			
b. Small Systems Review	0	15	15	2.44%
SPECIALIST AREAS				
a. Computer				
i. Development	32			
ii. Audit	8	40	40	6.49%
b. Contract				
i. Final Account/Procedure Rules	32			
ii. Current Audit	12	44	44	7.14%
MANAGEMENT				
Audit	15			
Other	45	60	60	9.74%
OTHER				
Special Investigations	25			
Contingency	12	37	37	6.01%
TRAINING, FURTHER EDUCATION ETC				
Seminars and Meetings	20	20		
Training -C.P.E	10			
Further Education	0			
In-House	16	26	46	7.47%
ROUTINE DUTIES				
External Audit		14		
General Office Duties		15		
Internal Check-Payroll		4		
Cash Office Duties		6		
Procurement		3		
Paid Cheque enquiries		3		
Security		11		
Other		18	74	12.01%
TOTAL			616	100.00%

AUDIT CATEGORY	Risk Level	SYSTEM EVALUATION & TESTING	NEW SYSTEM DOCUMENTATION AND IAS Work	REGULAR & ADHOC AUDIT WORK
<u>CHIEF EXECUTIVE</u>				
<u>ELECTIONS</u>				
Register of Electors	Low			
Elections	Low			
<u>LEGAL</u>				
Land Charges	High			
Members Allowances	Low	10		
<u>ECONOMIC DEVELOPMENT</u>				
Industrial estates	Low			
<u>DEVELOPMENT SERVICES</u>				
<u>TECHNICAL SERVICES</u>				
Facilities and Development				
Recreation Services - Client	Medium			
Grounds Maintenance	Low			
Leisure Centre - Client	Low			
Cemeteries	Low			
Allotments	Low			
Markets - Client	Low			
Civic Halls - Swadlincote Town Hall	Low			
Etwall pool	Low			8
Direct Services				
Trade Refuse and Recycling	Low			
Refuse collection	Low			
Transport and Vehicle Workshop	Low			
Depot - General (Stores, Security etc)	Medium			
<u>PLANNING</u>				
Building Control	Low			
Planning Fees	Low			
Planning general	Low			
<u>COMMUNITY SERVICES</u>				
<u>COMMUNITY AND LDM</u>				
National Forest Centre	Low	8		8
Single Regeneration Budget (ending 2003)	Low			

AUDIT CATEGORY	Risk Level	SYSTEM WORK	NEW SYSTEM DOCUMENTATION & TRAINING	REGULAR & ADHOC AUDIT WORK
ENVIRONMENTAL HEALTH				
Improvement Grants	Low			
Lullington Gypsy Site	Low			
General (pest control)	Low			
HOUSING				
Rent accounting	High	17	7	
Housing Administration	Low			
Foston Gypsy Site	Low			
Warden Controlled Schemes (Incl Piper HAS)	Low			
Housing Repairs	High	10	3	
Sale of Council Houses	Low			
FINANCE				
REVENUE				
Recovery - Council Tax & NNDR	Low			5
N.N.D.R	Medium	8	2	
Sundry Debtors	High	15	8	
Cash	Medium	10	3	
Housing Benefits	Medium	20	4	
Bus Passes	Low			
Council tax	Medium	15	5	
FINANCIAL SERVICES				
Expenditure:				
Payroll (Salaries)	Low	15		
Payroll (Wages)	Low	10		
Creditors	High	20	10	
H.A.A.	Low			
Car Allowances	Low			
Subsistence	Low			
Car Leasing	Low			
Car Loans	Low			

AUDIT CATEGORY	Risk Level	SYSTEM WORK	NEW SYSTEM DOCUMENTATION & TRAINING	REGULAR & ADHOC AUDIT WORK
General:				
Treasury Management	Low	10		
Inventories	Low			7
Leasing - general	Low			
Bank Reconciliation & Bank Charges	High	3	4	
Insurance's	Low			
Grant Claims	Low			
Capital Accounting	Medium	2		
Budgetary Control	High	10	5	
Accounting System	High	10	10	
VAT.	High	5	3	
Special Areas:				
Contract -				
Partnering		2	1	7
TOTALS System		200	65	
Regular				35
Management (vfm etc.)		0		
GRAND TOTAL				300
All High risk audits are where new systems are being introduced this year with no known level of internal control. This years plan concentrates on all these fundamental financial and core process systems. The Revenue systems have again been delayed but are expected to be introduced by February 2006				

INTERNAL AUDIT ASSURANCE STATEMENT – 2004/2005

Statutory Requirement

The requirement for an Internal Audit function of local authorities is implied by section 151 of the Local Government Act 1972, which requires that authorities make arrangements for the proper administration of their financial affairs and ensure that one of their officers has responsibility for that role. The appointed officer, for South Derbyshire District Council, is the Director of Corporate Services. The Accounts and Audit Regulations 2003 more specifically require that 'a relevant body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices'.

System of Internal Control

The Council is responsible for ensuring that there is a sound system of internal control, which facilitates the effective exercise of the Council's functions. The control environment comprises a number of elements within its framework; a key element is the use of internal controls.

Internal controls are processes designed and implemented by management to ensure statutory requirements, policies and procedures are complied with, assets are safeguarded and records are complete and accurate.

The role of Internal Audit

This function provides an independent evaluation on the adequacy of the internal control system as a contribution to the proper, economic, efficient and effective use of resources.

Internal audit is the main means by which the Council obtains assurances that systems are operating effectively. This is achieved by reviewing systems over a period of time thereby assessing the effectiveness of the overall internal control system. A long-term strategic plan is formulated using a risk assessment methodology within the audit planning process and annual work plans are undertaken. Internal Audit operates to the standards set out in the CIPFA Code of Practice for Internal Audit in Local Government in the UK.

Internal Audit and external audit operate a joint working arrangement, known as the Managed Audit, to maximise the effectiveness of the audit process within the Council. The external auditor considers Internal Audit as a core component of the Council's internal control framework.

The Internal Audit Service is subject to regular inspection by the Council's external auditors who, in accordance with the Audit Commission's Code of Practice, place reliance on the work carried out. Internal Audit is responsible to the Head of Finance and Property Services.

Internal Audit's Assessment of the Internal Control System

The review of the effectiveness of internal control is informed by the work of Internal Audit and the senior managers within the Council who have responsibility for the development and maintenance of the internal control environment. In addition the comments made by our external auditors, inspectorates and other review agencies are also part of the overall assessment.

Internal Audit examined systems operating in a range of Council functions and Services in 2004/2005 in accordance with the annual plan. Internal Audit's observations and recommendations were discussed with relevant managers as part of the operation of the internal audit service.

In relation to work carried out by Internal Audit for the 2004/2005 financial year, I consider that a reasonable degree of reliance can be placed upon the Council's internal control system. The Council is presently implementing a range of new computer systems and these are subject to ongoing review to ensure the level of internal control is maintained.

A.J.Stamper

Audit Manager