

North York Moors National Park Authority Finance, Risk, Audit and Standards Committee

12 August 2013

Internal Audit Plan 2013/14

<p>1. Purpose of the Report</p>
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<p>1.1 To inform Members of the Internal Audit Plan for 2013/14.</p>
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2. **Background**

2.1 Over the coming years the Authority will be faced with significant challenges in terms of implementing the necessary savings without compromising the essential services it provides. Inevitably, this pressure will have an impact on the risks being faced by the Authority and on the control environment. The Internal Audit Plan for 2013/14 is intended to reflect these challenges and to be pro-active in working with management in addressing them. The plan is explicitly aligned to the Authority's Strategic Risk Register. This accords with commonly accepted good practice and will enable members of FRAS and the management team to satisfy themselves that internal audit activity is focused on the main risks to the Authority. The audit plan is a working document and changes are made throughout the year to reflect changes in risk and any issues that arise.

2.2 The content of the audit plan has been subject to consultation with the Corporate Director and Deputy Corporate Director and is submitted for formal approval by the committee who are also responsible for monitoring progress against the plan. Changes to the plan are agreed through the Authority's client management arrangements and are notified to the committee. Proposed audit work is also discussed with the Authority's external auditors to ensure there is no duplication of effort.

3. **2013/14 Annual Internal Audit Plan**

3.1 The Annual Internal Audit Plan for 2013/14 is attached to this report (**Appendix 1**)

3.2 It is anticipated that the audit work will commence in summer 2013 and a summary report will be presented to this Committee once the work has been completed.

3.3 The number of days in the plan has remained at 25 for 2013/14.

3.4 Veritau will also liaise with the External Auditors, Deloitte, in order to assist in the conclusions given in the 'audit opinion'.

4. **Financial and Staffing Implications**

4.1 None.

5. **Sustainability and Legal Implications**

5.1 There are no sustainability or legal implications arising from this report.

6. Recommendation

6.1 That Members note the content of this report and the attached report.

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Background documents to this report

File Ref

None



North York Moors National Park (NYMNP)

Internal Audit Plan 2013-14

Audit Manager: John Barnett
Client Relationship Manager: Roman Pronyszyn
Head of Internal Audit: Max Thomas

Circulation List: Members of the FRAS Committee
Chief Executive
Corporate Director

Date: 12 August 2013

Introduction

- 1 This document sets out the planned 2013/14 programme of work for internal audit provided by Veritau for the North York Moors National Park (NYMNP).
- 2 In accordance with the CIPFA Code of Practice and the Public Sector Internal Audit Standards (which apply to all public sector bodies from 1 April 2013), internal audit is required to prepare an audit plan on at least an annual basis.
- 3 The plan is explicitly aligned to the Authority's risk register. This accords with commonly accepted good practice and will enable members of the Finance, Risk, Audit and Standards Committee (FRAS) and the management team to satisfy themselves that internal audit activity is focused on the main risks to the Authority. The audit plan is a working document and changes are made throughout the year to reflect changes in risk and any issues that arise.
- 4 The content of the audit plan has been subject to consultation with the Corporate Director and Deputy Corporate Director and is submitted for formal approval by the FRAS Committee. Changes to the plan are agreed through the Authority's client management arrangements and are notified to the committee. Proposed audit work is also discussed with the Authority's external auditors to ensure there is no duplication of effort.
- 5 The plan has a total value of 25 days for 2013/14.

2013/14 Audit Plan

- 6 The Audit Plan 2013/14 is intended to reflect the key risks the Authority has identified as well as providing assurance on the fundamental material systems. Where possible, it also seeks to identify areas where further savings can be made by aligning operational controls more closely with the identified risk appetite and to provide assurance that the controls used to reduce risk to within the risk appetite, are effective.
- 7 The plan has been structured into a number of sections:-
 - **Strategic Risk Register;** this work involves reviewing the action taken, or to be taken, in managing the key risks to the Authority.
 - **Fundamental/Material Systems;** to provide assurance on the key areas of financial risk. This helps support the work of the external auditors and provides assurance to the Authority that risks of loss are minimised.
 - **Technical/Projects;** to provide assurance on those areas of a technical nature and where project management is involved. These areas are key to the Authority as the risks involved could detrimentally affect the delivery of services.
 - **Client Support & Advice;** work we carry out to support the Authority in its functions.

8 Details of the 2013/14 plan are set out in **Appendix 1**

Internal Audit Plan 2013/14

Appendix 1

Strategic Risk Register

Risk No	Risk	Audit Ref	Audit	Scope	Days
201/201	Failure to comply with DPA and FOI requirements and consequent issues resulting in loss of reputation, prosecution, complaints, claims. Together with lack of capacity to deal with an increase in volume and complexity of complaints resulting in a negative impact on workload.	66685	Information Governance and Data Protection	A review to ensure information is securely managed in line with policy and legislation	5
201/347	Failure to explore and take full advantage of new service development opportunities, processes for developing business cases, project management skills, risk assessment, engagement of outside expertise, reports to Members, widespread consultations.	66695	Income Generation	A review of the current income streams to ensure that they are robust and maximising the income generation. To also look at new initiatives the Authority can utilise to generate income.	9

14

Fundamental/Material Systems Audits

Audit Ref	Audit	Scope	Days
66600	Key Financial Systems	A systems-based audit of the main financial systems in use at the National Park. The audit will include a high level review of the key controls for the following systems and follow up the agreed actions	4

Audit Ref	Audit	Scope	Days
		<p>from the 2012/13 audit:</p> <p>Main Accounting System – including budgetary control procedures Income & Debtors – including ‘miscellaneous income’ Creditors & Purchasing - to include compliance with procurement procedures Payroll - to include segregation of duties and other detect/prevent controls</p>	

4

Technical/Project Audits

Ref	Audit	Scope	Days
66650	ICT	A review of the ICT policies operated by the National Park. The audit will give assurance over the currency and validity of the policy framework, with a particular focus on the flexibility required for modern working practices and expectations.	4

4

Client Support & Advice

Ref	Area	Days
66620	An allocation of time to liaise with the external auditors and management, prepare the Annual Audit Plan, attend meetings of the Finance, Risk, Audit and Standards Committee and provide advice on audit matters.	3

3

25

Comment [k1]: