

STRATEGIC AUDIT PLAN 2009/10 to 2010/11

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Summary: This report sets out the revised Strategic Audit Plan for 2009/10 to 2010/11, based on the current man-days and budget available.

Recommendation: That Members approve the Strategic Audit Plan.

Resource Implications: Use of ear-marked funding to buy in specialised computer audit. Estimate of £4,500 for 10 days.

Key Decision Status: None

1.0 INTRODUCTION

1.1 The principal role of Audit Services is to assist the Head of Finance & Management Information Systems in carrying out the statutory S.151 role and to provide a service to Members and all levels of management in ensuring that arrangements are in place to carry out the Council's business securely and efficiently. The Audit Plan is also designed to meet the requirements of the external auditor, as set out in the Audit Commission's Internal Audit Protocol. Audit Services will review the financial and business systems, in order to evaluate and report upon the adequacy of internal control, as a contribution to the proper, economic, efficient and effective use of resources.

2.0 AUDIT RESOURCES

2.1 The Audit Plan for 2009/10 is based on an establishment of 4 Full Time Equivalent (FTE) posts, including the Audit and Fraud Prevention Manager. Allowance has been made in the Plan for "Non audit work / training". This is to cover management of the Fraud Team (largely Benefits Fraud) and any corporate training required. By recording this separately, it will make any benchmarking exercises with other audit sections more directly comparable.

3.0 RISK BASED APPROACH TO AUDIT

3.1 The Strategic Audit Plan, attached as Appendix A, is revised on an annual basis following a risk assessment exercise and takes into account progress made in the previous year and any comments from Corporate Team and Management Group.

3.2 Whilst management is focused on managing the key strategic and operational risks to achieving objectives, Internal Audit seeks to give assurance on other risks arising over:-

- the reliability and integrity of operational and financial information;
- the safe-keeping of financial and non-financial assets;
- projects, systems development and change; and
- compliance with relevant legislation.

3.3 A risk assessment sheet is completed for each Service Unit's activities, taking into account the type of risk involved in that kind of activity, what we know about it from previous audits and if management have indicated any changes to systems in the coming year. [Example at Appendix D]. This risk score is then transferred to a summary worksheet, which sorts the scores in order of the highest risk and calculates how many days should be allocated from the audit days available. These automatically calculated days are then adjusted, where necessary, in the light of previous audit experience. Allowance is made for the main financial systems audits and other audit activities which must be carried out every year (see Appendix C). The remaining days available are then allocated to audits with the highest risk scores. If there are insufficient audit days available, the lowest risk activities will be deferred. A copy of the risk assessment summary is shown at Appendix B. Any new information is built into the risk assessment exercise at the end of every year.

3.4 In addition to audits arising from the risk assessment exercise, we undertake annual audits of the 12 main financial systems in order to give an assurance as to the controls and integrity of the data which feed into the annual budget and the Statement of Accounts:-

Loans & Investments	Payroll
Benefits	Capital Accounting
Sundry Debtors	Council Tax
Creditors	Cash Receipting
Main Accounting System	National Non Domestic Rates
Budgetary Process	Final Accounts Process

3.5 The expenditure on Concessionary Travel is a material amount. The Council administers Senior Citizen (Over 60's) railcards, travel vouchers (for the over 60's and the disabled) to use with taxis or trains [discretionary scheme] but only authorises bus travel passes (the NoWcard) to be issued to those eligible. The bus passes are issued by NoWcard and payment to the operator for the use of bus passes is handled, on the Council's behalf, by Lancashire County Council, who

then seek reimbursement from the Council. Internal Audit will audit the issue of travel vouchers, railcards and the authorisation of bus passes and reimbursement of expenditure to Lancashire County Council (via our Creditors system) but reliance will have to be placed upon Lancashire County Council's auditors to audit the system of payment for the use of bus passes. We are in contact with Lancashire County Council's auditors to arrange this.

3.6 Annual provision for the following is also included in the audit plan:-

- IT audit
- Capital Programme / Contract Management
- Performance indicators
- Systems for grant claims
- Compliance with the Code of Corporate Governance
- Implementation of new software systems
- Risk Management arrangements
- Business Continuity arrangements
- Procurement arrangements

3.7 In line with the IT audit strategy previously agreed by the Audit Committee, there is planned coverage of IT activity to comply with CIPFA computer audit guidelines. The technical element of these IT audits will be carried out by buying in the services of a specialised computer auditor. This is estimated at 10 days in 2009/10.

3.8 A summary of the main areas of audit work for 2009/10 is given below:-

Type of Audit Work	Days	% of audit days
Systems	492	57%
Regularity	38	4%
VFM	15	2%
Contract	27	3%
Contingency / Responsive	62	7%
Admin/Mgt/Training/Committees	205	24%
Performance Indicators	10	1%
Non Audit work [Management of Fraud Team / Corporate Training]	18	2%
TOTAL	867	100%

NB. Computer audit is included as part of the systems audits, as well as the specific IT audits included in the Plan.

3.9 Systems work will include a review of controls relating to the prevention and detection of fraud and corruption. Computer audit tests will be undertaken using IDEA audit software. Technical computer audit will be carried out by a specialist computer auditor, who will be bought in for

specific audits. These will include e. purchasing and an IT Security Healthcheck in 2009/10.

- 3.10 We have allowed 15 days for Value for Money in the plan. The Manager has requested a review of stock control for Parks and Open Spaces. This will only be carried out once the high priority systems have been completed. Service reviews are now carried out as part of the budget build process. The Process Improvement Team also undertake specific projects to improve service delivery. There are contingency days allowed in the plan if any audit involvement is requested in this area.

4.0 MONITORING AND REPORTING

- 4.1 Progress against the plan will be monitored on a monthly basis and reported to the Head of Finance & Management Information Systems. Quarterly monitoring reports will be submitted to the Audit Committee.

List of Appendices:

Appendix A - Strategic Audit Plan

Appendix B - Risk Assessment Summary

Appendix C - Annual Audit Days available

Appendix D - Example of Risk Assessment Sheet

List of Background Documents: None

Officers Consulted: Corporate Team, Management Group

COPELAND BOROUGH COUNCIL - AUDIT SERVICES

STRATEGIC AUDIT PLAN - MAY 2009

APPENDIX

Lines marked with * are those where there is some flexibility as to the year of the audit. Others should be done annually.

Title	Category	Planned 2008/09 Days	Actual 2008/09 Days	Planned 2009/10 Days	Planned 2010/11 Days
FINANCE & MANAGEMENT INFORMATION SYSTEMS					
Accountancy:					
Loans and Investments	System	10.00	10.75	11.00	10.00
Main Accounting Systems [8 days b/fwd 09/10]	System	24.00	14.75	23.00	14.00
Budget Process/Budgetary Control [7 days b/fwd 09/10]	System	14.00	2.00	19.00	10.00
Final Accounts Process [Substantive testing in 08/09]	System	10.00	61.00	10.00	10.00
Capital Accounting Procedures [Substantive testing in 08/09]	System	10.00	61.25	10.00	10.00
* Insurance	System				11.00
* VAT	System				
*Car Loans	System				4.00
Creditors [6 days b/fwd 09/10]	System	39.00	14.75	31.00	18.00
Sundry Debtors [2 days b/fwd]	System	22.00	16.00	20.00	14.00
*Financial Management System Project	System	4.00			
Grant Claims	Regularity	10.00	1.25		
Follow-Up Audits	System	1.00	1.00	2.00	2.00
Advice	System	2.00	22.25	2.00	2.00
Grants to Voluntary Organisations	System				6.00
ICT & E-Government:					
* Audit of PC's	Regularity				
* Acquisition of Hardware/Software	System				6.00
* Internet Access / Network Controls	System				
* Systems Devt/Implementation Controls [See Building Control 09/10]	System				
* Organisational & Administrative Controls	System				
* IS/ICT Strategy	Regularity	6.00		10.00	10.00
* Business Continuity arrangements["Bought in" auditor in 08/09]	System	10.00	1.25	10.00	10.00
* Financial management of IT / Performance monitoring / recharging	System				
Follow ups	System	1.00	1.00	2.00	2.00
Advice	System	0.50	0.50	0.50	0.50

Title	Category	Planned 2008/09 Days	Actual 2008/09 Days	Planned 2009/10 Days	Planned 2010/11 Days
TOTAL		163.50	207.75	150.50	139.50
CUSTOMER SERVICES					
Customer Services:					
Cash Receipting	System	29.00	23.50	24.00	18.00
Concessionary Travel	System			8.00	8.00
Follow-Up Audits	System	1.00		1.00	1.00
Revenues & Benefits:					
Council Tax	System	30.00	26.25	25.00	20.00
NNDR	System	25.00	21.75	22.00	18.00
Housing Benefits	System	40.00	41.50	40.00	35.00
*Grant claims [NNDR]	System				
* Postal Remittances	System				
Follow-Up Audits	System	1.00		4.00	4.00
Advice	System	2.00	3.75	2.00	2.00
TOTAL		128.00	116.75	126.00	106.00

Title	Category	Planned 2008/09 Days	Actual 2008/09 Days	Planned 2009/10 Days	Planned 2010/11 Days
LEGAL & DEMOCRATIC SERVICES					
Legal:					
* Production of Contract Documents	System				5.00
* Custody of Documents	System				
* Land Charges	System				8.00
* Statutory Instruments	System				
* Litigation Procedures	System				
* Licensing	System				
* Emergency Planning	System				6.00
* Tendering Administration	Regularity				
* Freedom of Information Act	Regularity				
* Charities - Admin of Trusts	System				
Follow-Up Audits	System				
Advice	System	0.50	0.25	0.50	0.50
Secretariat:					
* Civic Expenses/Hospitality/Mayors Charity Fund	Regularity				
* Record of Interests/Gifts & Hospitality	Regularity				
* Members Allowances	Regularity				
Follow-Up Audits	Regularity				
Elections:					
* Election Administration	System			15.00	
* Electoral Registration	System				8.00
Follow-Up Audits	System			1.00	1.00
TOTAL		0.50	0.25	16.50	28.50

Title	Category	Planned 2008/09 Days	Actual 2008/09 Days	Planned 2009/10 Days	Planned 2010/11 Days
POLICY & PERFORMANCE					
Performance Improvement:					
Advice	System	2.00		2.00	2.00
Follow-Up Audits	System				
* GIS System	System				7.00
Human Resources:					
Payroll	System	30.00	24.75	25.00	20.00
* Flexible Working Hours	Regularity				5.00
* Travel & Subsistence Claims	System				10.00
* Training Expenses	System	10.00	10.00		
* Sickness	System				5.00
* Human Resource Management	System				12.00
* General Tax issues	Regularity				10.00
Advice	System	0.50			
Follow-Up Audits	System	1.00			
Health & Safety					
*Health & Safety arrangements	System				12.00
TOTAL		43.50	34.75	27.00	83.00

Title	Category	Planned 2008/09 Days	Actual 2008/09 Days	Planned 2009/10 Days	Planned 2010/11 Days
DEVELOPMENT OPERATIONS					
Procurement: Procurement Arrangements Marketplace Purchasing System	System System	10.00	1.00	6.00 6.00	6.00 0.00
Property Maintenance: Contract Management *Private Finance Initiative (PFI) payments * Asset Management Advice Follow-Up Audits	Contract Contract System Contract Contract	0.50		8.00	
Tourism: * Beacon/TIC - Cash & Banking [Plus stock control in 2010/11] * Beacon Museum Collection Follow ups / Advice	System Regularity System	6.00 10.00 1.00	10.25 10.50		22.00
Development Control: * Development Control * Conservation Follow ups/ Advice	System System System	1.00		15.00 0.50	1.00
Building Control: * Building Control - [System implementation 09/10] Follow ups/ Advice	System System	36.00 1.00	23.00 2.00	16.00 1.00	16.00 0.50
TOTAL		65.50	46.75	52.50	45.50

Title	Category	Planned 2008/09 Days	Actual 2008/09 Days	Planned 2009/10 Days	Planned 2010/11 Days
DEVELOPMENT STRATEGY					
Economic Development: Projects / Area Based Grant Grant Claims	Contracts System	15.00 10.00		12.00 10.00	10.00
Crime & Disorder Act - Compliance Follow-Up Audits / Advice	Regularity System	1.00	3.75	1.50	1.50
Local Plans: Local Development Framework	System				
Housing Services: Improvement Grants[07/08 work c/fwd to 08/09 & B/fwd 30 days 09/10]	System	16.00	29.25	60.00	24.00
* Homelessness	System				5.00
* Private Sector Housing Renewal (Policy)	System				6.00
Follow ups / Advice	System	2.00		1.00	1.00
Sustainability & Nuclear: Expenses, Fees & Charges	Regularity				
TOTAL		44.00	33.00	84.50	47.50

Title	Category	Planned 2008/09 Days	Actual 2008/09 Days	Planned 2009/10 Days	Planned 2010/11 Days
LEISURE & ENVIRONMENTAL SERVICES					
Leisure Services:					
* Sports Development	System				
* Leisure Grants & Contributions	Regularity				
Follow-Up Audits	System				
Advice	System	0.50			
Environmental Health:					
Environmental Health income	System				6.00
Advice	System	1.00			
Follow-Up Audits	System				
Waste Management:					
* Leased Transport	System	12.00		12.00	
* Recycling sales income	System				7.00
* Environmental Cleansing	System				8.00
Advice	System	1.00			
Parks & Open Spaces:					
* Crematorium/Cemetery	System				
* Nursery - Control of Stock	VFM			15.00	
* Grounds Maintenance Contracts	System				20.00
* Stores	System				
* Street Scene	System				
Enforcement:					
* Enforcement	System				
* Markets	System				
Advice	System	0.50			
Follow-Up Audits	System		4.25		
Environmental Protection:					
* Environmental Protection	System				
TOTAL		15.00	4.25	27.00	41.00

Title	Category	Planned 2008/09 Days	Actual 2008/09 Days	Planned 2009/10 Days	Planned 2010/11 Days
CORPORATE					
Performance Indicators	PI's	10.00	11.50	10.00	10.00
E Commerce /Purchasing	System	5.00	0.50		
Code of Corporate Governance [B/fwd 6 days 09/10]	Regularity	15.00	5.25	12.00	6.00
Risk Management Arrangements	System	10.00		15.00	15.00
Evaluating whether Service Objectives met	Regularity	15.00		15.00	15.00
Business Continuity Arrangements	System	10.00		10.00	10.00
Partnership Developments / Area Based Grant	System	25.00		20.00	20.00
Capital Programme / Contract Management	Contract			15.00	15.00
Audit of Efficiencies Recorded	Regularity				
VFM Study unallocated	VFM				15.00
Follow-Up Audits	Regularity	1.00	0.50		
Advice	Regularity	1.00	0.50	1.00	1.00
TOTAL		92.00	18.25	98.00	107.00
MANAGEMENT / TRAINING / CONTINGENCY					
Contingency/Responsive [Includes Acting S.151 3 months in 08/09]	Contingency	70.00	197.75	62.00	62.00
Admin/Mgt	Admin/Mgt	80.00	101.75	80.00	80.00
Committees	Admin/Mgt	30.00	22.75	30.00	30.00
Management Team/Finance Team Meetings	Admin/Mgt	25.00	10.00	24.00	24.00
Shared Services for Internal Audit project	Admin/Mgt			12.00	0.00
Management of Fraud Team	Non audit	15.00	5.25	10.00	10.00
Corporate Training	Non audit	8.00	7.75	8.00	8.00
Information for External Auditor	Admin/Mgt	2.00	2.00	2.00	2.00
Audit Training	Training	10.00	24.25	10.00	10.00
AAT Training	Admin/Mgt	60.00	46.00	47.00	47.00
TOTAL		300.00	417.50	285.00	273.00

Title	Category	Planned 2008/09 Days	Actual 2008/09 Days	Planned 2009/10 Days	Planned 2010/11 Days
TOTAL PLANNED DAYS		852.00	879.25	867.00	871.00

Title	Category	Planned 2008/09 Days	Actual 2008/09 Days	Planned 2009/10 Days	Planned 2010/11 Days
AUDIT "LOST TIME"					
Sick Leave		23.00	18.00	24.00	24.00
Annual Leave [includes leave brought forward]		97.00	77.50	104.00	96.00
Maternity Leave					
Statutory Leave		24.00	15.00	32.00	32.00
Authorised Leave [includes exams/study/Christmas]		26.00	34.00	17.00	17.00
TOTAL AUDIT DAYS AVAILABLE		1022.00	1023.75	1044.00	1040.00
Check:		1022.00		1044.00	1040.00

Title	Category	Planned 2008/09 Days	Actual 2008/09 Days	Planned 2009/10 Days	Planned 2010/11 Days
Analysis of Audit Days:					
Systems		468.50	432.25	492.00	511.00
Regularity		58.00	18.00	38.00	47.00
Contract		15.50	0.00	27.00	15.00
VFM		0.00	0.00	15.00	15.00
Contingency/Responsive		70.00	197.75	62.00	62.00
Admin, management & training, committees, D.A.		207.00	206.75	205.00	193.00
Non audit work / training		23.00	13.00	18.00	18.00
Performance Indicators		10.00	11.50	10.00	10.00
Total Audit Days		852.00	879.25	867.00	871.00

Analysis of Audit Days as a percentage of plan					
Systems		55%	49%	57%	59%
Regularity		7%	2%	4%	5%
Contract		2%	0%	3%	2%
VFM		0%	0%	2%	2%
Contingency/Responsive		8%	22%	7%	7%
Admin, management & training, committees, ext. auditor		24%	24%	24%	22%
Non audit work / training		3%	1%	2%	2%
Best Value: Performance Indicators		1%	1%	1%	1%
Total Audit Days		100%	100%	100%	100%

Note: Use of Contingency days & additional days worked on Final Accounts and Capital Accounting in 2008/09 - Audit Manager acting up as S.151 Officer for 3 months and the rest of the audit team carrying out substantive testing on 2007/08 Final Accounts in the same period.

Assumption for 2009/10: 1 Audit Technical Officer starts Year 2 of AAT course.

Assumption for 2010/11: 1 Audit Technical Officer starts Year 3 of AAT course.

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STRATEGIC AUDIT PLAN 2009/10 - APPENDIX B : RISK ASSESSMENT SUMMARY 2009/10

Sheet Nr.	System	Weighted Score	Adjusted Audit Days	Reason for Adjustment
	Main Financial Systems [Audited annually]			
1	Main Accounting	13.10	23	Based on 08/09 time + 8 days b/fwd
7	Loans & Investments	10.26	11	Based on 08/09 time
4	Creditors	8.46	31	Based on 08/09 time + 6 days b/fwd
11	Sundry Debtors	7.54	20	Based on 08/09 time + 2 days b/fwd
9	Final Accounts Process	7.60	10	Based on 07/08 time
13	Cash Receipting	3.49	24	Based on 08/09 time
3	Housing Benefits/Council Tax Benefits	3.17	40	Based on 08/09 time
12	NNDR	2.70	22	Based on 08/09 time
2	Council Tax	2.42	25	Based on 08/09 time
14	Capital Accounting Procedures	29.38	10	Based on 07/08 time
5	Payroll	1.81	25	Based on 08/09 time
10	Budget Process/Budgetary Control	1.97	19	Based on 08/09 time + 7 days b/fwd
72	Renovation Grants / Disabled Facilities Grants	16.17	60	B/fwd 30 days
	Corporate governance		6	Bfwd 6 days
		91.90	326	
83	Other Systems:			
32	Asset Management	21.19	8	NEVER AUDITED New 03/04
19	Concessionary Travel	14.35	0	Included in Annual Commitments
41	Election Administration	12.64	15	European Election June 2009
45	Systems Development/Implementation Controls	11.68	16	Building Control New System in 2009/10
37	Economic Devt. Projects / Area Based Grants	8.17	12	Audited 06/07 & LAA in 07/08
86	Leased Transport	6.67	12	NEVER AUDITED - New contract 07/08
24	Development Control	6.43	15	New System 2009/10
57	Beacon Establishment Audit	5.74	22	Cash, Banking & stock control [Cash/Bank 08/09]
42	Electoral Registration	5.43	8	NOT AUDITED SINCE 2000
31	Land Charges	5.29	8	NOT AUDITED SINCE 2000
29	Parks & Open Spaces	4.52	20	NEVER AUDITED
16	Enforcement	3.89	0	New software - audited 07/08
59	Building Control	3.84	16	Audited in 2008/09 [old software system]
69	Emergency Planning	3.81	6	NOT AUDITED SINCE 2000
52	Travel & Subsistence	3.58	10	Audited 05/06
90	Contract Management	3.13	0	10 days allowed in annual audits
47	Production of Contract Documents	3.03	5	Audit & Follow up 03/04. Few contracts
43	Sickness	3.00	5	Audited 03/04 Follow up 04/05
67	Flexible Working Hours	2.78	5	Audited 03/04 Follow up 04/05
38	Training Expenses	2.69	0	Audited 2008/09
18	GIS system	2.48	7	NEVER AUDITED
63	Car Loans	2.36	4	NOT AUDITED SINCE 2000
87	Recycling sales income	2.27	7	NEVER AUDITED

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35	Health & Safety	2.19	12	NEVER AUDITED
84	Acquisition of Hardware/Software	2.17	6	Audited 04/05
62	Postal Remittances	2.15	0	Audited as part of cash receipting annually
78	Insurance	2.07	11	NOT AUDITED SINCE 2001
25	Private Sector Housing Renewal	2.06	6	New Strategy
56	General Tax Issues	2.06	10	NOT AUDITED SINCE 2000
60	Homelessness	2.05	5	NEVER AUDITED
85	Environmental Health income	1.98	6	NEVER AUDITED
33	Human Resource Management	1.86	12	NEVER AUDITED
20	Environmental Cleansing	1.83	8	NEVER AUDITED
54	Telephones & Mobiles	1.82	0	Audited 04/05
65	Grants to Voluntary Organisations	1.67	6	NOT AUDITED SINCE 2000

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46	Tendering Administration	1.67		Audited 03/04
80	Mortgages	1.61		NOT AUDITED SINCE 2000
39	IT Network Controls	1.52		Audited 06/07
70	Record of Interests, Gifts and Hospitality	1.42		Audited 03/04
17	Refuse Collection Income	1.38		NEVER AUDITED
15	Stores	1.37		Audited 04/05
40	Pest Control	1.35		Audited 03/04 Follow up 04/05
22	Building Cleaning	1.21		NEVER AUDITED
36	Licensing	1.17		Audited 06/07.
68	Private Finance Initiative	1.05		Audited 05/06
64	VAT	0.98		Audited 02/03
79	Beacon Museum Collection	0.97		Audited 2008/09
73	Nuclear Issues	0.92		New department 05/06
21	Cultural Services	0.92		NEVER AUDITED
28	Street Scene	0.92		NEVER AUDITED
66	Petty Cash Control	0.90		Audited 2000 Low value
49	Cem & Crem	0.87		Audited 2006/07 - Bereavement Services
51	Public Conveniences	0.81		Repairs followed up for OSC April 06
26	Members Allowances & Expenses	0.79		Audited 05/06
58	Internet Access	0.78		Audited 03/04 Follow up 04/05
88	Litigation Procedures	0.77		NOT AUDITED SINCE 2001
44	Organisational & Admin Controls - IT	0.76		Audited 03/04 Follow up 04/05
71	Civic Expenses/Mayors Charity Fund	0.71		NOT AUDITED SINCE 2001
82	Audit of PC's	0.61		Audited 03/04
53	Statutory Instruments/Government Consultancy Documents	0.60		NOT AUDITED SINCE 2001
50	Custody of Documents	0.48		Audited 03/04
74	Freedom of Information Act	0.19		Audited 2006/07
		189.62	283	0

STRATEGIC AUDIT PLAN 2009/10

APPENDIX C

Copeland Borough Council Audit Section
Audit Plan 2009/10 to 2010/11

Days Available Excluding Major Systems Work & other annual commitments

	2009/10	2010/11	TOTAL
Total Audit Days Available	867	871	1738
Major Systems Work	267	221	488
Systems b/fwd work:	59	0	59
Concessionary Travel	8	8	16
VFM work	15	15	30
Follow ups	12	12	24
Advice	10	10	20
Information for External Auditor	2	2	4
IT audit	20	20	40
Capital Programme / Contract Management	15	15	30
Performance Indicators Systems	10	10	20
Grant Claims systems:	10	10	20
Code of Corporate Governance	6	6	12
Risk Management arrangements	15	15	30
Contingency/Responsive Work	62	62	124
Admin/Management	80	80	160
Management Group / Team Meetings	24	24	48
Committees	30	30	60
Marketplace project	6	0	6
AAT Training	47	47	94
Shared Services Project	12	0	12
Audit Training	10	10	20
Corporate Training	8	8	16
Evaluating whether Service Objectives met	15	15	30
Business Continuity arrangements	10	10	20
Partnership Developments	20	20	40
Procurement Arrangements	6	6	12
Management of Fraud Team	10	10	20
Total days available for 'Other' audits	78	205	283

EXAMPLE OF RISK ASSESSMENT SHEET

SHEET NR. **13**SYSTEM: **CASH RECEIPTING**DATE **April-09**

1 = VERY LOW RISK

10 = VERY HIGH RISK

	SCORE	WEIGHTING	TOTAL	NOTES
1 INHERENT RISK				
Is the system...				
-susceptible to				
*fraud/corruption	10	3	30	
*error	6	3	18	
*theft	10	3	30	
-politically sensitive	8	1	8	
-complex	3	1	3	
-high value/material				
*individual transactions	1	2	2	
*cumulative transactions	10	2	20	£27m Oct 06, £19m Sept 07, £26.8m Nov 08
TOTAL INHERENT RISK SCORE		15	111	Cash offices closed 28/3/08
TOTAL MAXIMUM SCORE			150	Still back office transactions
WEIGHTED SCORE			0.740	
2 CONTROL RISK				
At the last audit...				
-internal control adequate	3	5	15	
-data processed				
*accurately	1	2	2	
*completely	1	2	2	
-system reliable	1	1	1	
-subject to few manual adjustments	1	2	2	
TOTAL CONTROL RISK SCORE		12	22	
TOTAL MAXIMUM SCORE			120	
WEIGHTED SCORE			0.183	
3 CUMULATIVE ASSURANCE				
-established system or new system	1	2	2	New system 1 March 2006
-current staff experienced	2	2	4	Reduced staffing 2008 09
-past recommendations implemented	1	1	1	
-analytical review satisfactory	1	2	2	Expected reduction with loss of rent collection in 07/08.
				Further reduction in 08/09 due to closure of cash offices.
TOTAL CUMULATIVE ASSURANCE		7	9	
TOTAL MAXIMUM SCORE			70	
WEIGHTED SCORE			0.129	
TOTAL RISK	60		0.017	
AVERAGE RISK		200.00	3.489	