

AUDIT RISK ASSESSMENT AND AUDIT PLAN 2001/2002

**Members are requested to bring this document to the
appropriate meetings of the:**

Cabinet:

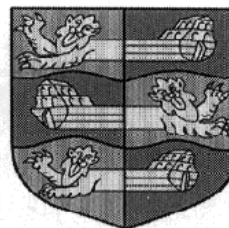
04 April 2001

Scrutiny (Audit & Performance Review) Committee:

17 April 2001

DOVER

DISTRICT COUNCIL



AUDIT RISK ASSESSMENT

AND

AUDIT PLAN 2001/2002

David Randall
Audit Manager

March 2001

*Internal
Audit*

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1. Audit Risk Assessment

Audit Risk Assessment Methodology

Introduction

The internal audit risk assessment is the essential first stage of the audit planning process. It involves evaluating the risk and materiality of Dover District Council's activities and identifying all the areas/processes/systems that potentially need audit attention. The risk assessment forms the basis for the strategic and annual audit plans.

Risk Assessment

The 1999/2000 internal audit programme was developed using a risk assessment methodology employing six risk factors. These measured the impact and likelihood of conditions that could adversely affect Dover District Council. The risk factors utilised enable comparability between quite different areas of the business, being a mix of tangible factors and those that are a matter of opinion.

The same risk assessment informed the 2000/2001 internal audit plan. The risk assessment methodology and rankings will need to be fully reviewed during 2001, once corporate objectives and priorities have been determined for the Council. However, it was also necessary for the risk assessment to be revisited and updated prior to the 2001/2002 audit programme, to reflect changes and developments across the authority and recent audit assurance statements and findings. A detailed evaluation of the 1999 risk ratings and individual risk factors has therefore recently been undertaken. This included an analysis of risk management techniques across the Exeter Benchmarking Partners and in particular the relevance of the various risk factors and the use of impact and probability axis.

The outcome of the review found that each benchmarking partner approached risk assessment slightly differently and in the longer term there will be an attempt to achieve a convergence of approach. The benchmarking group considered that the impact and probability axis and risk factors used by this Council were positive attributes, whilst the audit team felt that a number of the factors used by other authorities could improve this Council's risk methodology. Therefore, in a constant drive to improve the risk assessment methodology the risk factors, scale of measurement and weightings have been slightly modified and recalculated for 2001/2002. The factors have been redefined as:

Impact Risk Factors

- **Materiality** – Based on income or expenditure. Financial implications are a major factor, Dover District Council is charged with the prudent and effective use of public monies, the greater the expenditure the greater the risk and the greater the potential impact.
- **Sensitivity/ Corporate Importance** – Based on management and audit risk assessment of the council's operations. Examines the political and corporate nature of activities, public reactions and sensitivities and the potential for embarrassment.

- **Residual Risk** – Based on both factual evidence and audit risk analysis. This recognises that however well a process is controlled, there is an element of residual risk, including external factors that can impinge on the system or process. E.g. the risk of a failure to achieve a statutory responsibility, risk of change, risk of operational failure and insurance cover to reduce the level of residual risk.

Probability Risk Factors

- **Adequacy of internal controls/procedures** – Based on opinion supported by evidence. This measure is more important than the date of the last audit – as it recognises that management and staff actually operate the control system and the risk rating measures the effectiveness of the control system and how well it actually works in practice.
- **Complexity** – Based on factual evidence with some opinion. This factor recognises interfaces, interdependencies, legislation, implementation of new systems and the potential complexity of process/procedures.
- **Personnel** – Based on factual evidence with some opinion. Covers dependencies on key staff, stability of operational teams and level of delegation.

The risk assessment for each system is based on audit knowledge and management input. For every identified auditable system each factor is given a score. This is then multiplied by its fixed weighting to give a rating, which measures the exposure to risk for that factor. The scales of measurement and weightings have been slightly modified for 2001/2002 to balance the impact and probability axis scores and to recognise the fundamental importance of the materiality factor on the impact axis. The replacement of the inherent risk factor by the residual risk factor with a higher weighting, recognises the importance and impact of often uncontrollable residual risk on a system. The inherent risk and how it is controlled is measured by the Adequacy of Internal Control risk factor. All the factor scores for each system/process are totalled giving an overall risk rating, the maximum score being 100.

The relative risk ratings for each process/system can be assessed. As the scoring and weightings are applied right across this Council, the rating for one system can be compared relative to other risk factors. Higher risk ratings are generally subject to greater audit scrutiny and the risk assessment helps determine audit priorities and ensure that audit focuses on key areas of risk and activity.

	Weighting	max rating	maximum score
Adequacy of internal controls/procedures	5	5	25
Materiality	5	5	25
Sensitivity/Corporate Importance.....	4	4	16
Personnel/Organisational Structure	4	4	16
Complexity	3	3	9
Residual Risk	3	3	9
	Maximum Total score		100

The risk assessment and ratings are working documents, which will continue to be subject to regular review to ensure that they continue to accurately reflect the strengths and weaknesses of Dover District Council's systems/processes, and that audit resources are correctly targeted and prioritised.

David Randall
Audit Manager

23rd March 2001

Dover District Council – Auditable Systems

Number	Description
---------------	--------------------

Core Systems

- | | |
|------|--|
| 1. | Strategic Business Planning |
| 2. | Performance Management |
| 2.a | MIS |
| 2.b | Performance Indicators |
| 2.c | Best Value |
| 4. | Contract Compliance and Management |
| 5. | Business Continuity/Disaster Recovery |
| 6. | EURO/EMU |
| 7. | Enabling the Council's businesses through IT |
| 7.a | IT Strategy |
| 7.b | IT Developments |
| 7.c | IT Access and communications (E-mail/Internet) |
| 7.d | IT Procurement |
| 10. | Data Protection |
| 13. | Health and Safety |
| 27. | Procurement |
| 95. | Capital Expenditure |
| 96. | Local Agenda 21 – Environmental Protection |
| 102. | Corporate Governance |
| 30. | Staff Services |
| 30.a | Car Leasing |
| 30.b | Car Loans |
| 30.c | Private Health Care Scheme |
| 39. | Asset Management |
| 32.a | Purchases – Capital |
| 32.b | Sales – Capital |
| 32.c | Estates Management |
| 32.d | Town Halls (Dover and Deal) |
| 32.e | Deal Pier |

Chief Executive's Department

- | | |
|------|--|
| 14. | Personnel |
| 14.a | Personnel - Policies and Procedures |
| 14.b | (Equal Opportunities/Human Rights/IR/IIP/Conditions of Service/Redundancy/Early Severance) |
| 14.c | Personnel – Recruitment and Retention |
| 14.d | Personnel - Appraisal and Staff Development |
| 14.e | Personnel - Sickness and Maternity Pay |
| 15. | Payroll |
| 16. | Superannuation and Pension Transfers |
| 18. | Members Services |
| 19. | Emergency Planning – external |
| 20. | Electoral Register |
| 21. | Elections – co-ordination |
| 22. | Land Charges |
| 23. | Legal Services |

Director of Finance and Central Support

- 24. Budgetary Control (including re-charging)
- 25. Income/Revenue
- 28. Debtors
- 29. Creditors/Payments (including use of BACS)
- 32. Loans and investments (Treasury Management)
- 33. Grants (voluntary organisations)
- 34. Insurance
- 35. Accounting System (IT Operations)
- 36. Banking and Cash handling
- 37. Members Allowances
- 38. Expenses – Travel and Subsistence
- 41. VAT
- 42. Charity Accounts
- 43. Concessionary Travel

- 44. Housing Benefit
 - 44.a Housing Benefit - Rebates & Allowances
 - 44.b Housing Benefit - Assessment
 - 44.c Housing Benefit - Council Tax
 - 44.d Housing Benefit - Recovery of Overpayments
 - 44.e Housing Benefit - Benefit Fraud Investigations

- 45. NNDR
 - 45.a NNDR - Property
 - 45.b NNDR - Assessment and Relief
 - 45.c NNDR - Collection and Recovery
 - 45.d NNDR - Collection Fund (Central Government)

- 46. Council Tax
 - 46.a Council Tax – Property
 - 46.b Council Tax - Assessment and Collection
 - 46.c Council Tax – Relief and Recovery
 - 46.d Council Tax - Income/Revenue

- 47. Premises Management (catering, security and cleaning)
- 51. Printing

Director of Planning and Technical Services

- 52. Planning
 - 52.a Administration
 - 52.b Application Determination
 - 52.c Enforcement
 - 52.d Forward Planning
 - 52.e Development Control

- 53. Building Control
- 54. Highways
 - 54.a Highways – KCC Agency contract
 - 54.b Highways – non-agency

- 100. Car Parking Administration System
- 56. Re-chargeable Works
- 57. Re-cycling
- 58. Conservation of Historic Buildings
- 59. Tree Preservation and Assessment
- 61. Coastal Protection
- 62. Beaches and Foreshore Management

- 64. CCTV
- 65. Sports Special Events
- 66. Play schemes
- 67. Cemeteries/Churchyards

Director of Health and Housing

- 80. Building Services
 - 80.a Repairs and Maintenance
 - 80.b Contract management of Improvements
 - 80.c Re-development Projects
 - 80.d Re-chargeable Work
 - 80.e DLO
- 81. Housing Management
 - 81.a Estates Management
 - 81.b Sales/Mortgages
 - 81.c Rents
 - 81.d Letting
 - 81.e Leasehold Property Service Charges
- 82. Improving the Environment
 - 82.a Grants (renovation and repairs)
 - 82.b Housing Act Advances
- 85. Environmental Health
 - 85.a Health Promotions/General Hygiene
 - 85.b Food Safety
 - 85.c Dover Port Health
 - 85.d Public Health Act Burials
 - 85.e Pest Control
- 87. Pollution Control
- 90. Dog Warden
- 92. Licences
 - 92.a Licences – Taxi
 - 92.b Licences – Others (Zoo, kennels, late refreshment houses etc)
- 93. White Cliffs Care Line
- 94. Homelessness/Refugees/Gypsies

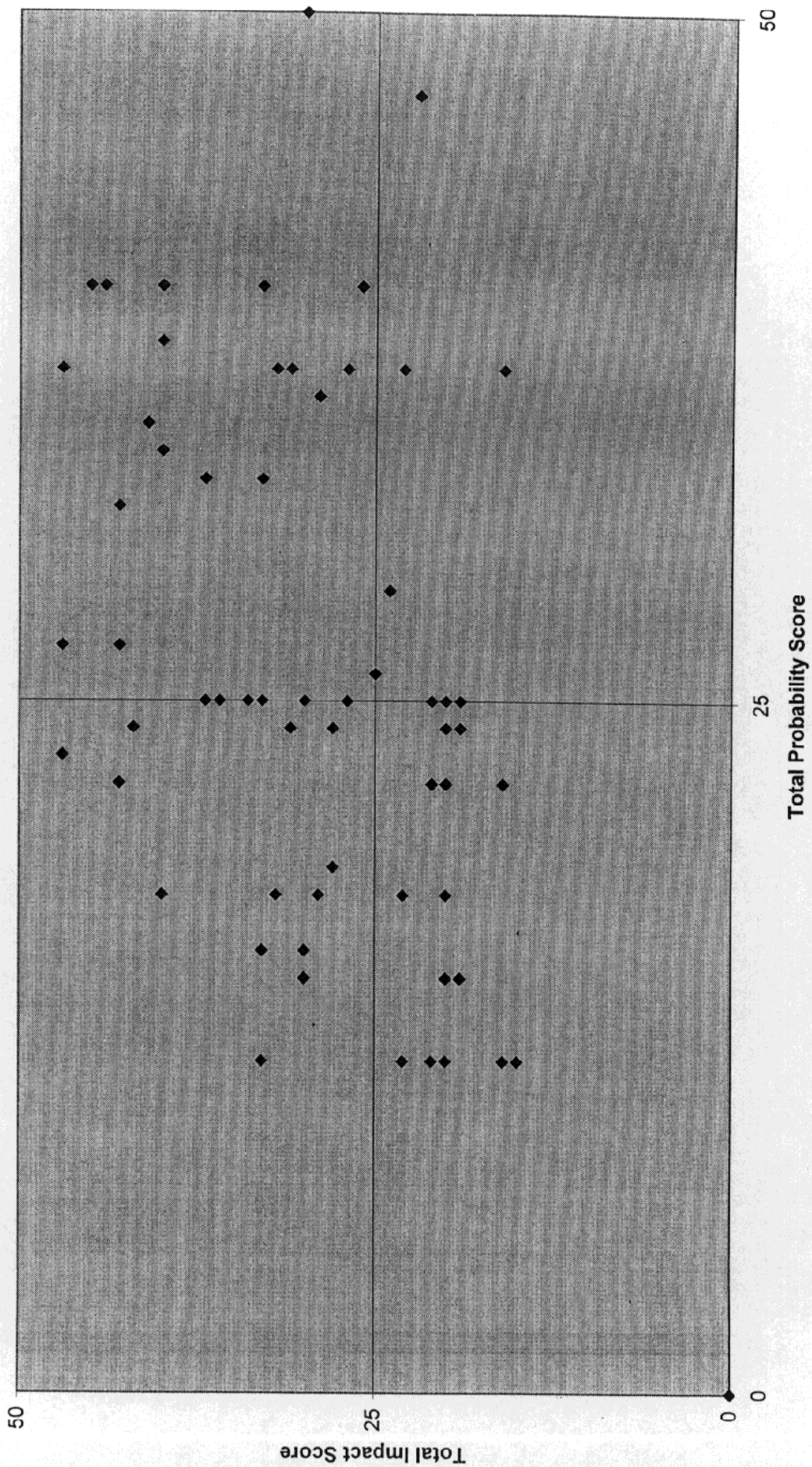
Director of Economic Development

- 69. Museums and other attractions
- 70. Tourism, Marketing and Tourist Information Centres (excluding Grants)
- 72. Events
 - 72.a Art and Events
 - 72.b Special Events
- 99. Economic Development
 - 99.a Partnership Projects
 - 99.b Single Regeneration Budget Scheme
 - 99.c Sure Start Scheme
- 79. Markets
- 60. White Cliffs Countryside Project

Dover District Council Risk Assessment 2001/2002

System	Description	Ranking	IA/DA/BV Involvement
7	Enabling the Council's businesses through IT	85	IA 2001
4	Contracts Compliance and Management	84	IA ongoing
99	Economic Development Projects	84	IA 2001
44	Housing Benefit	80	IA ongoing/ Management Review
102	Corporate Governance	80	IA 2001
28	Debtors	78	IA ongoing
81	Housing Management	76	IA ongoing
39	Asset Management	75	DA 2000
29	Creditors/Payments	74	IA 2001
24	Budget Management	74	IA 2001/DA 2001
95	Capital Expenditure	73	IA 2000
32	Loans and investments (Treasury Management)	70	IA 2001
45	NNDR	70	IA 2001
100	Car Parking System	70	IA 2000/1
2	Performance Management	69	IA ongoing
80	Building Services	69	IA ongoing
82	Improving the Environment	68	IA 2000
43	Concessionary Travel	66	New in 2002
1	Strategic Business Planning	66	New in 2002/ working group
25	Income/Revenue	66	DA ongoing
5	Business Continuity/Disaster Recovery	65	IA 1999
46	Council Tax	65	IA 2001
14	Personnel	64	IA 2000
52	Planning	62	IA 2001
41	VAT	61	
10	Data Protection	60	IA ongoing
64	CCTV	59	IA ongoing
57	Re-cycling	59	BV 2000
70	Tourism, Marketing and Tourist Information Centres	58	BV 2000
61	Coastal Protection	58	BV 2001
35	Accounting System (IT Operations)	55	IA ongoing
27	Procurement	55	IA ongoing/ working group
69	Museums and other attractions	53	IA 2000 (Bank and Cash)
96	Local Agenda 21- Environmental Protection	53	
87	Pollution Control	52	
33	Grants (voluntary organisations)	52	BV 2001
60	White Cliffs Countryside Project	51	IA 2000 (Bank and Cash)
34	Insurance	50	
36	Banking and Cash handling	49	IA 2000
23	Legal Services	47	IA ongoing
54	Highways	47	
51	Printing	46	BV 2000
93	White Cliffs Care Line	46	IA 2000 (Bank and Cash)
15	Payroll	45	IA 1999
92	Licences	45	
47	Premises Management	45	BV 2000 (Property)
72	Events	44	
22	Land Charges	44	
85	Environmental Health	44	IA 2000
53	Building Controls	43	
38	Expenses - Travel and Subsistence	43	
65	Sports Special Events	42	
21	Elections-co-ordination	42	
18	Member Services- Committee Administration	41	
6	EURO/EMU	38	IA ongoing/ Euro Project
19	Emergency Planning -external	38	
66	Play schemes	35	
13	Health and Safety	35	BV 2000
20	Electoral Register	35	BV 2001
58	Conservation of Historic Buildings	35	
94	Homelessness/ Refugees/Gypsies	34	
56	Re-chargeable Works P&TS	33	IA 2000
30	Staff Services	33	
16	Superannuation and Pension Transfers	33	DA 2000
62	Beaches and Foreshore Management	32	
37	Members Allowances	28	
67	Cemeteries/Churchyards	28	
79	Markets	28	
42	Charity Accounts	28	
59	Tree Preservation & Assessment	28	
90	Dog warden	27	

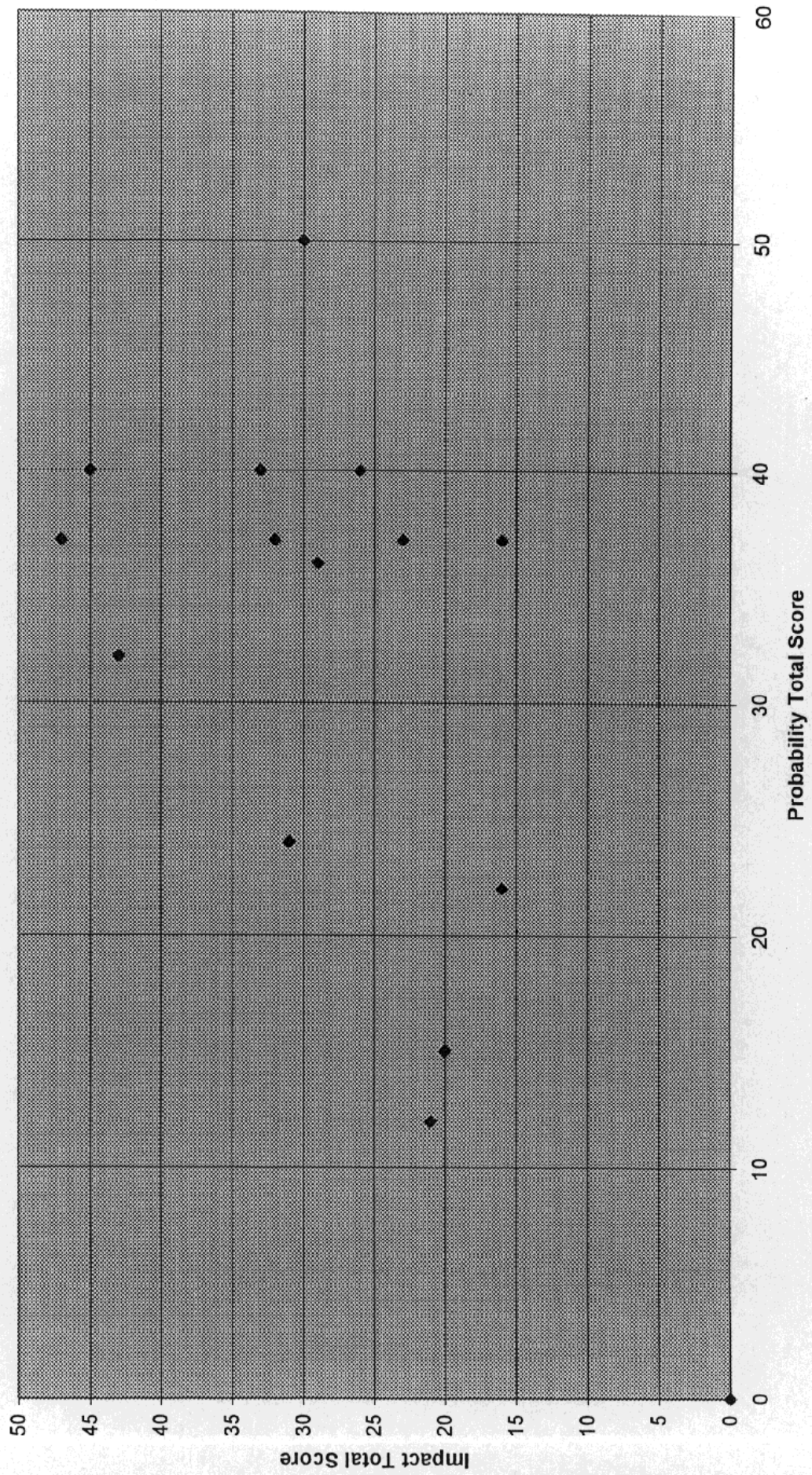
Impact/ Probability- All Departments



Dover District Council
Risk Assessment 2001/2002 - Core Systems

<u>Core Systems</u>							<u>Rating</u>
7	Enabling the Council's businesses through IT						85
4	Contracts Compliance and Management						84
103	Corporate Governance						80
39	Asset Management						75
95	Capital Expenditure						73
2	Performance Management						69
1	Strategic Business Planning						66
5	Business Continuity/Disaster Recovery						65
10	Data Protection						60
27	Procurement						55
96	Local Agenda 21- Environmental Protection						53
6	EURO/EMU						38
13	Health and Safety						35
30	Staff Services						33

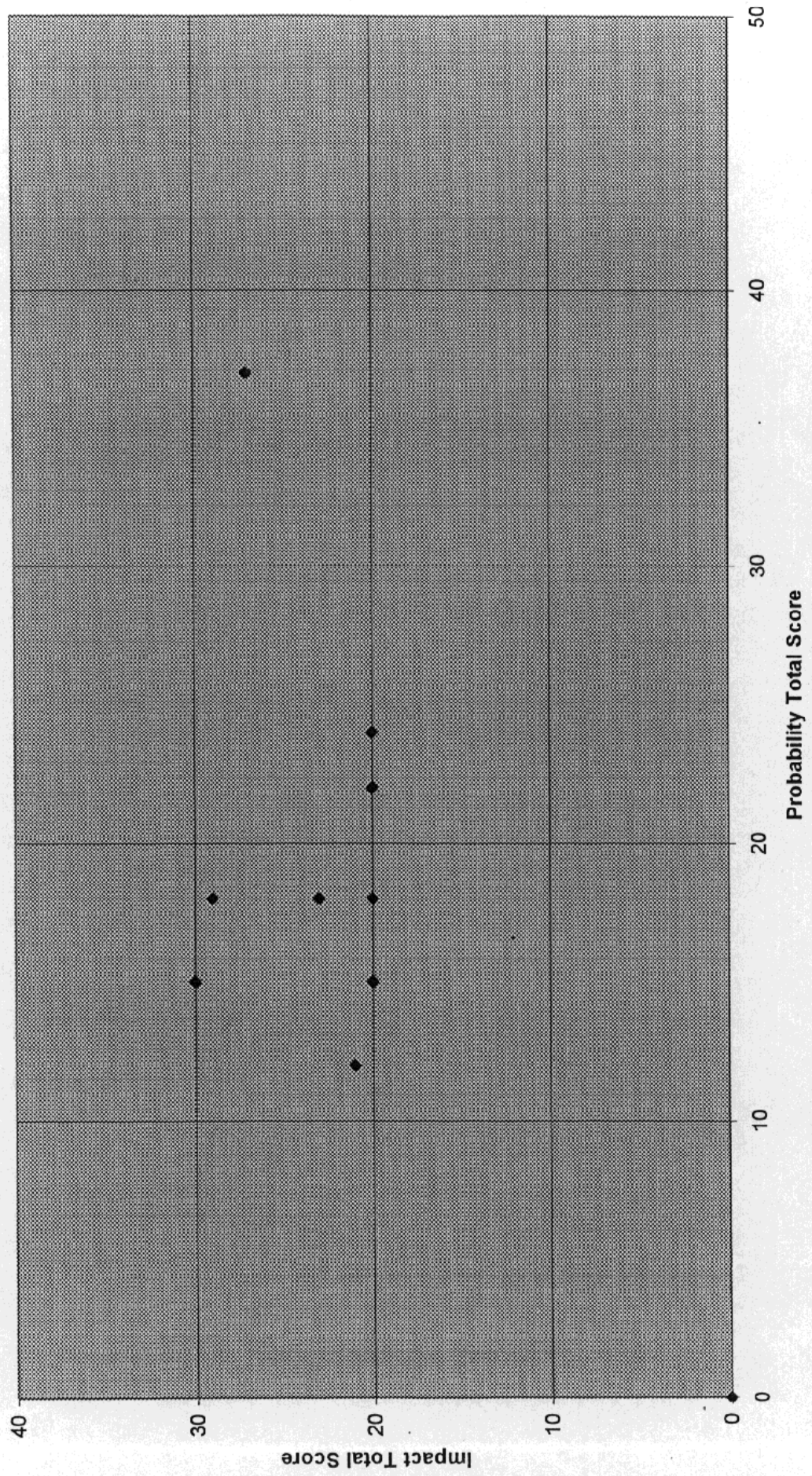
Core Systems-Impact/Probability



Dover District Council

<u>Chief Executive's Office</u>				Rating
14	Personnel			64
23	Legal Services			47
15	Payroll			45
22	Land Charges			44
21	Elections-co-ordination			42
18	Member Services			41
19	Emergency Planning -external			38
20	Electoral Register			35
16	Superannuation and Pension Transfers			33

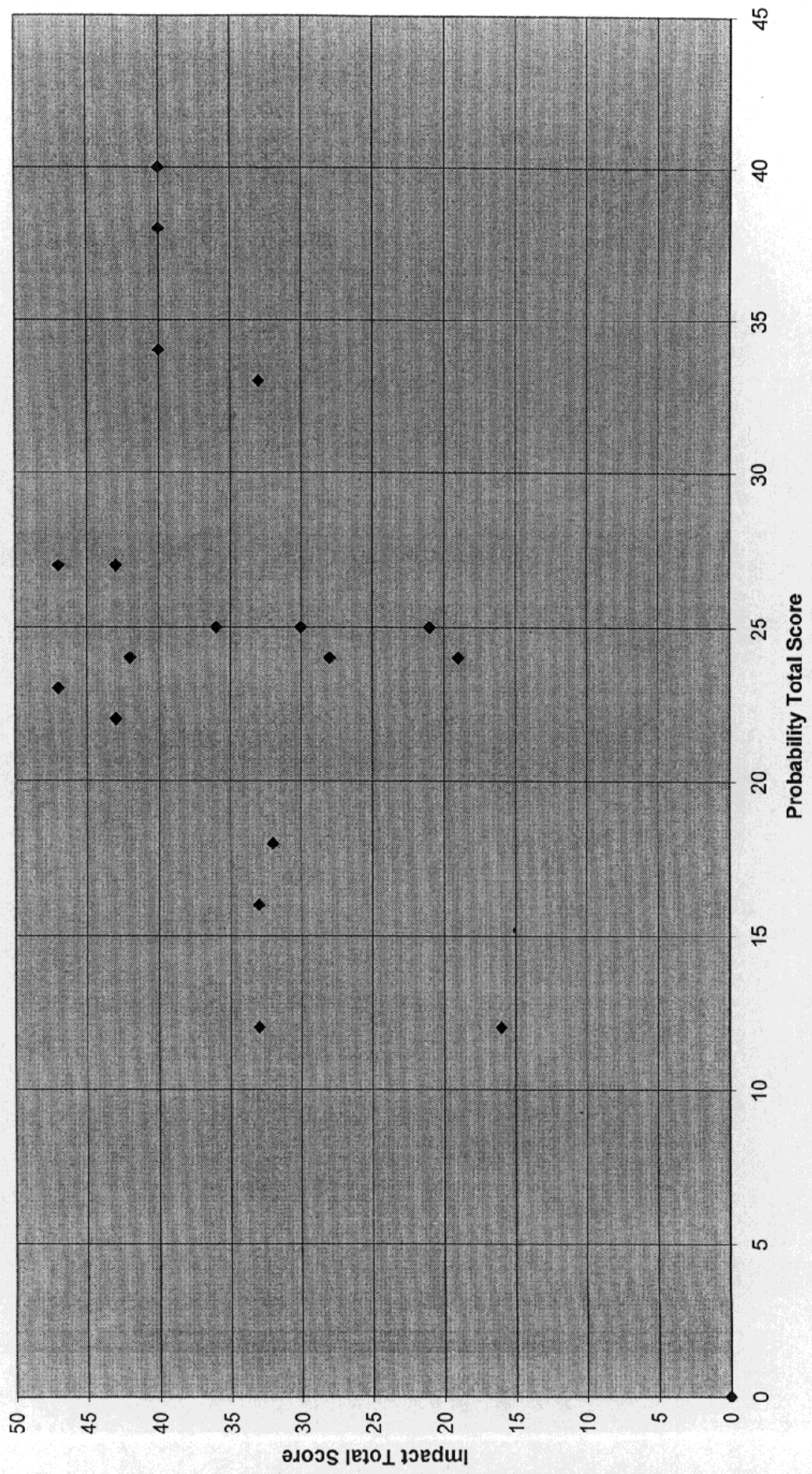
Chief Executive's Department - Impact/Probability



Risk Assessment 2001/2002 - Finance and Central Support Department

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Director of Finance and Central Support- Impact/Probability

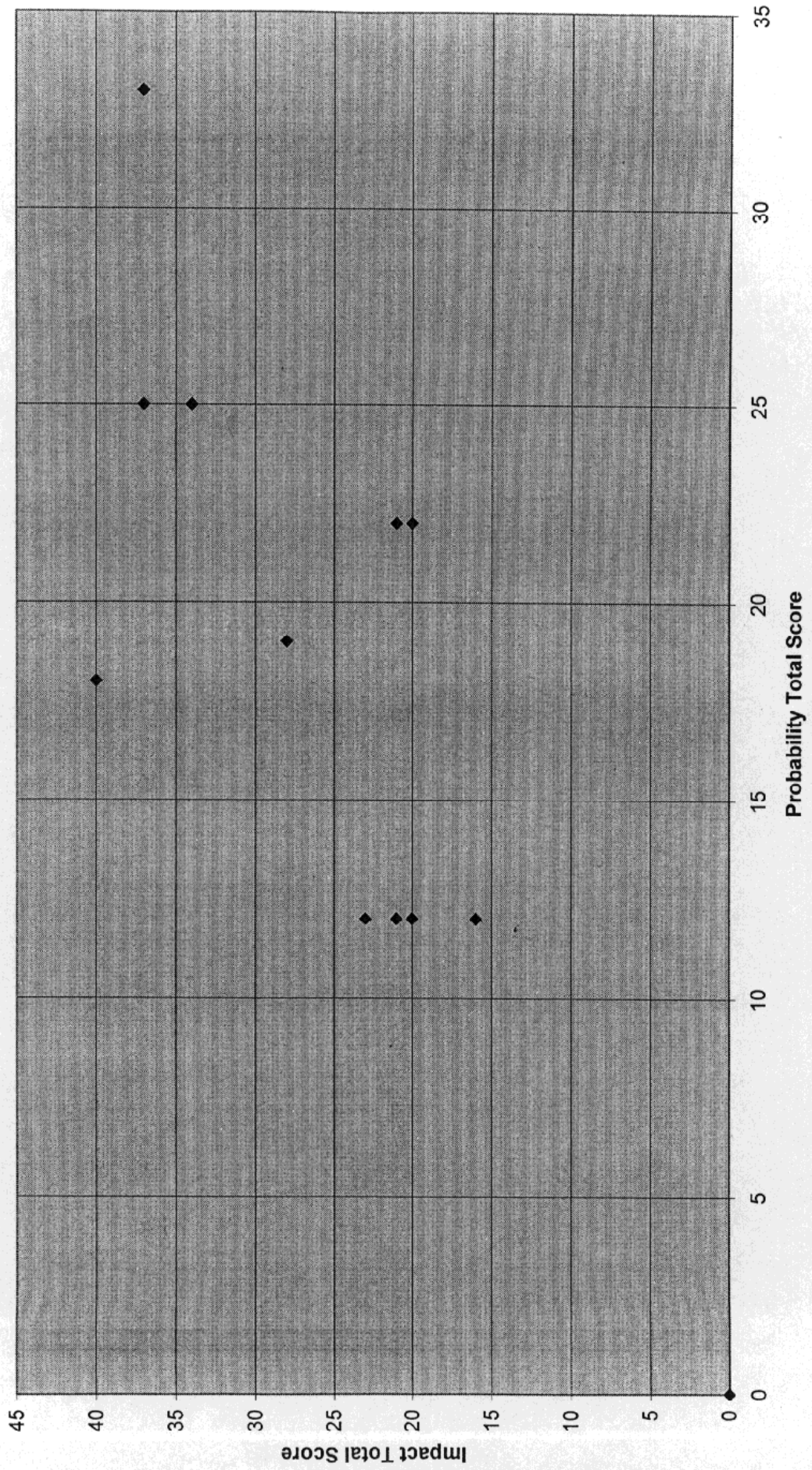


Dover District Council

Risk Assessment 2001/2002 - Planning and Technical Services Department

Director of Planning and Technical Services									Rating
100	Car Parking System								70
52	Planning								62
64	CCTV								59
57	Re-cycling								59
61	Coastal Protection								58
54	Highways								47
53	Building Controls								43
65	Sports Special Events								42
66	Play schemes								35
58	Conservation of Historic Buildings								35
56	Re-chargeable Works								33
62	Beaches and Foreshore Management								32
67	Cemeteries/Churchyards								28
59	Tree Preservation & Assessment								28

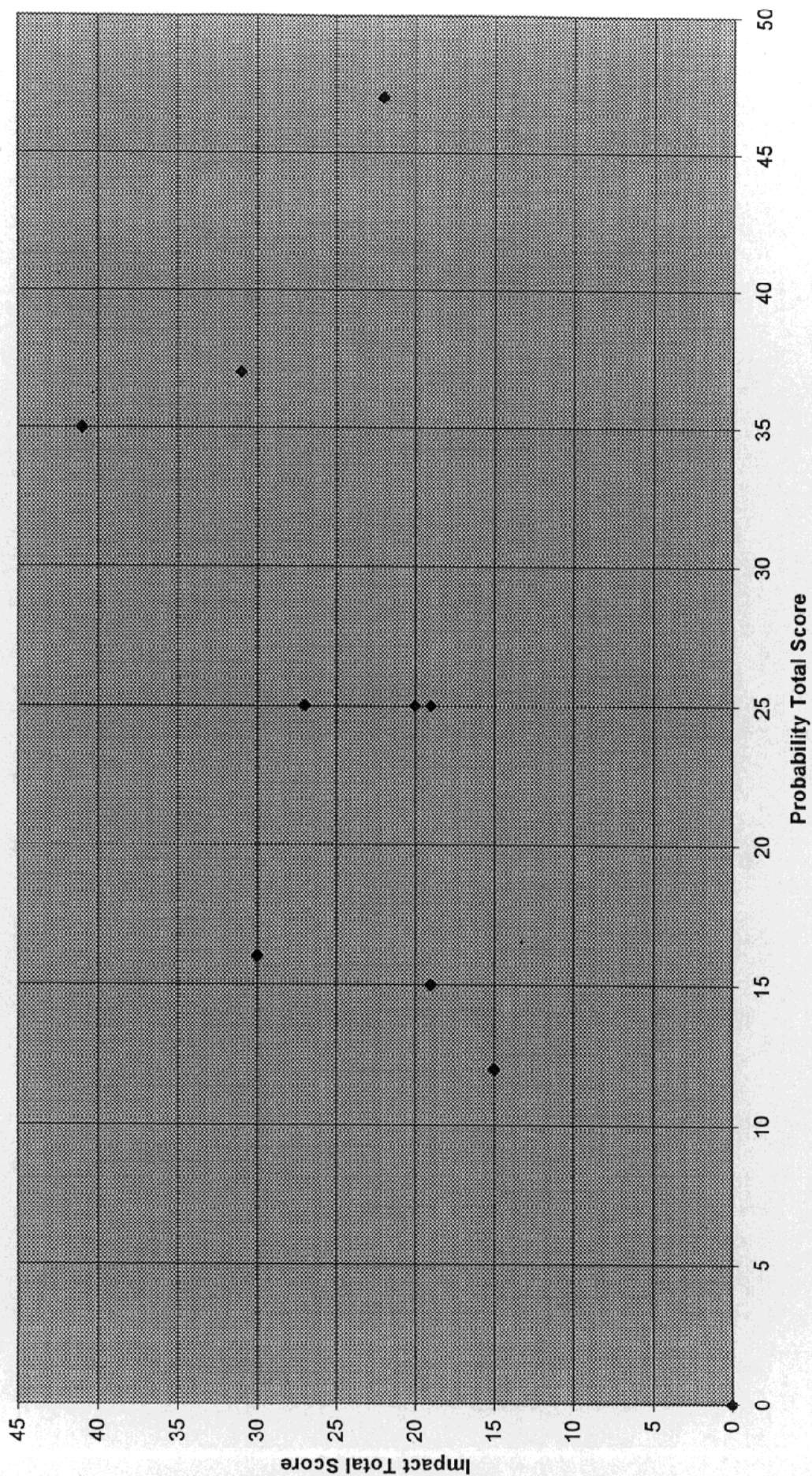
Director of Planning and Technical Services-Impact/Probability



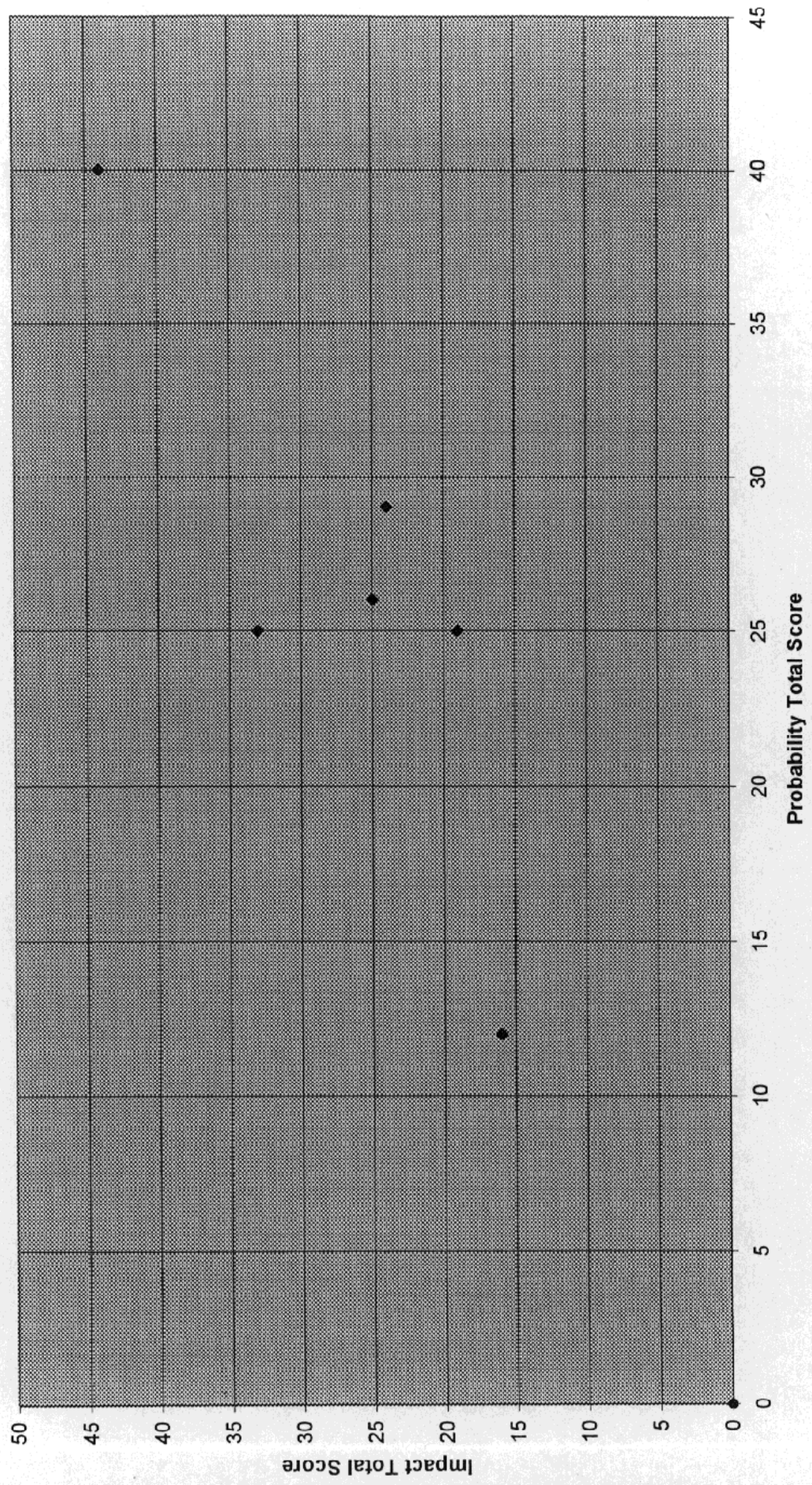
Dover District Council
Risk Assessment 2001/2002 - Health and Housing Department

Director of Health and Housing								Rating
81	Housing Management							76
80	Building Services							69
82	Improving the Environment							68
87	Pollution Control							52
93	White Cliffs Care Line							46
92	Licences							45
85	Environmental Health							44
94	Homelessness/ Refugees/Gypsies							34
90	Dog warden							27

Director of Health and Housing- Impact/Probability



Director of Tourism and Economic Development- Impact/Probability



2. Audit Plan 2001 to 2002

Dover District Council Audit Plan 2001/2002

Category	Type of Review	Dept	Audit Activity	Budgeted Days
Productive Audit Days	Follow up from previous year	Core System	Procurement	5
		CE	Personnel - Recruitment	2
		F&CS	CCTV at Whitfield Site	5
		F&CS	Housing Benefits - Benefit Fraud Investigations and Recovery of Overpayments	5
		H&H	Building Services - Housing Rechargeable Work	5
		H&H	Housing Allocations	5
		H&H	Housing – Rents	10
		H&H	Housing – re-development project (Airey Housing)	2
		H&H	Renovation and Improvement Grants	5
	Audit Reviews	Core System	Corporate Governance	20
		Core System	Enabling the Council's business through IT - Security and procedures	30
		Core System	Specific Contract(s) Review	20
		Core System	Budget Management	25
		CE	Legal - Accreditation	3
		F&CS	Loans and Investments (Treasury Management)	15
		F&CS	Council Tax - Assessment and Property	25
		F&CS	Creditors/Payments	15
		F&CS	Housing Benefits - Management Arrangements / Adjudication	25
		F&CS	NNDR - Property/ Assessment and Relief	25
		F&CS	e-financials - FMS System	10
		P&TS	Car Parking Financial Management	15
		P&TS	Car Parking - CCTV	5
		P&TS	Planning - Application Determination	20
		TED	Economic Development Projects - Sure Start	15
		TED	Economic Development Projects - Single Regeneration Budget	30
	System Develop Reviews	Core System	EMU/euro	10
		Core System	Performance Management	15
		Core System	DP Act 1998	10
		F&CS	e-financials - FMS System	10
		TED	Events - Regional Arts Lottery Programme	10
	Audit Advice and Guidance	CE	Unplanned	10
		F&CS	Unplanned	10
		P&TS	Unplanned	10
		H&H	Unplanned	10
	Management Consultancy	TED	Unplanned	10
		Core System	Debt Management	20
	Special Projects	Core System	Corporate Surveillance Policy	15
		Core System	Structured Re-Cabling - PIR	5
		Core System	Contract Standing Orders/ Financial Regulations/Procurement Strategy	30
		Core System	Project Management Toolkit	20
		F&CS	Best Value - Service Review of IA & Audit Input to other Service Reviews	25
	Other Audit Resource	Core System	Audit planning.	20
		Core System	Special Investigations	25
Total Productive Audit days				607
Non Productive Audit Days	Administration		General Management including meetings, briefings etc	132
			GOW/ Administration	74
			Training	42
	Holidays and Other Absences		Holidays	136
			Public Holidays	50
			Sickness	74
			Other (Accountancy Work)	30
Total Non Productive Audit days				538
Total audit days for 2001/2002				1145

Dover District Council Audit Plan 2001/02

Type of Review	Dept	Audit Activity	Draft Scope	Days	Quarter
Follow up from previous year	Core System	Procurement	Carried forward from 2000/2001. Follow up of High and Medium Level Recommendations accepted during 1999 audit reviews.	5	1
	CE	Personnel - Recruitment	Carried forward from 2000/2001. Follow up of High and Medium Level Recommendations accepted during 1999 audit review.	2	1
	F&CS	CCTV at the Whitfield Site	Short follow up of High and Medium Level Recommendations accepted during 2000 audit review.	5	4
	F&CS	Housing Benefits - Benefit Fraud Investigations and Recovery of Overpayments	Carried forward from 2000/2001. Housing Benefit fraud and prosecution policies are currently being developed. The follow up will examine the implementation of high and medium level recommendations accepted during 1999 audit reviews	5	2
	H&H	Building Services Rechargeable Work	Internal Audit has been working with Housing Management (as part of a special working group) in the development of new procedures and controls. Follow Up will ensure the implementation of high and medium level recommendations accepted during the 2000 audit review.	5	2
	H&H	Housing – Rents	Internal Audit has been working with Housing Management (as part of a special working group) in the identification of debts, the development of new procedures and controls. Follow Up will ensure the implementation of high and medium level recommendations accepted during the 2000 audit review.	10	3
	H&H	Housing – re-development project (Airey Housing)	Housing Management have recently introduced new procedures. The follow up will examine the new procedures to ensure that high and medium level recommendations have been implemented effectively.	2	1
	H&H	Housing Allocations	The follow up will examine to ensure that high and medium level recommendations have been implemented effectively.	5	4
	H&H	Renovation and Improvement Grants	The 2000/2001 audit review is approaching completion. Follow Up will ensure that recommendations accepted during the audit review have been implemented	5	4
	Core System	Corporate Governance	This review will examine the Corporate Governance arrangements to ensure openness, accountability, integrity and strong systems of internal control. This review will be undertaken jointly with District Audit.	20	1
	Core System	Enabling the Council's Business through IT - Security and Procedures	The roll out of internet and e-mail access across the authority has opened up a whole range of opportunities. It has also exposed the Council to increased risk in a number of new areas, the audit review will ensure that these risks are being suitably managed and controlled.	30	1

Dover District Council Audit Plan 2001/02

Type of Review	Dept	Audit Activity	Draft Scope	Days	Quarter
Audit Reviews	Core System	Specific Contract(s) Review	Sample checks focusing on current contracts	20	Ongoing
	Core System	Budget Management	A joint review with the Chief Finance Officer and Accountancy Manager to examine budget requirements and commitments against statutory requirements and corporate priorities	25	2
	CE	Legal - Accreditation	Quarterly compliance check of files	3	Ongoing
	F&CS	Loans and Investments (Treasury Management)	Examination of contract arrangements, monitoring and information flows to ensure complete, accurate and timely investment decisions.	15	3
	F&CS	Council Tax - Assessment and Property	Examine the controls operating over the assessment process to calculate property bands and Council Tax charges, and the completeness of the property database.	25	4
	F&CS	Creditors/Payments	Examination to ensure accuracy and timeliness of payments.	15	4
	F&CS	Housing Benefits - Management Arrangements/Adjudication	Internal Audit is supporting Housing Benefit Management by facilitating a series of Control Self Assessment key control exercises, followed by detailed audit testing to confirm the findings.	25	1
	F&CS	NNDR - Property/Assessment Relief	Carried forward from 2000/2001. Examine the adequacy of procedures and controls to ensure accurate assessment calculations and relief provision.	25	3
	F&CS	e-financials - FMS	Examination of the new financial management system to ensure that the key controls are working as intended.	10	2
	P&TS	Car Parking Financial Management	To examine the business plan, assumptions and objectives of the new Car Parking system and the payment of fixed penalty notices by credit card.	15	2
	P&TS	Car Parking - CCTV	Facilitate Control Self Assessment by Management	5	1
	P&TS	Planning - Application Determination	This review will examine the controls operating over the planning application process from receipt to final determination	20	4
	TED	Economic Development Projects - Sure Start	To ensure that the scheme has been correctly set up and the arrangements with the Council adequately protect the Council's position	15	2
	TED	Economic Development Projects - Single Regeneration Budget	Examine a number of individual schemes and the overall SRB arrangements to ensure that the objectives of the scheme are being achieved and the Council is adequately protected.	30	3
	Core System	EMU/euro	The Council is moving towards dual currency facilities at TICs, Area Offices, Car Parks etc. Audit will review and provide support during the development and implementation stages. If after the election the Government of the day moves towards a referendum to accept the euro, the project will increase significantly in priority and become a major development for the Council.	10	Ongoing

Dover District Council Audit Plan 2001/02

Type of Review	Dept	Audit Activity	Draft Scope	Days	Quarter
System Develop Reviews	Core System	Performance Management	Support the development of the Corporate Management Information System and Local Performance Indicators	15	Ongoing
	Core System	DP Act 1998	Working with the IT and Legal Departments, ensure that the Council is ready for the 1998 Act and has developed the necessary procedures and controls.	10	Ongoing
	Core System	e-financials - FMS	Support the final stages of the installation of the new financial system	10	1
Audit Advice and Guidance	TED	Events - Regional Arts Lottery Programme	Provide audit advice at various stages during this partnership project.	10	Ongoing
	CE	Unplanned	Work commissioned by the department, including audit advice and assistance	10	Ongoing
	F&CS	Unplanned	Work commissioned by the department, including audit advice and assistance	10	Ongoing
	P&TS	Unplanned	Work commissioned by the department, including audit advice and assistance	10	Ongoing
	H&H	Unplanned	Work commissioned by the department, including audit advice and assistance	10	Ongoing
Management Consultancy	TED	Unplanned	Work commissioned by the department, including audit advice and assistance	10	Ongoing
	Core System	Debt Management	Internal Audit is leading a small task force to introduce new procedures and controls to ensure that debts across the authority are adequately managed.	20	Ongoing
	Core System	Corporate Surveillance Policy	To cover CCTV, Internet, e-mail, voice and observation	15	1
	Core System	Structured Recabling	Post Implementation Review	5	1
	Core System	Contract Standing Orders/ Financial Regulations/ Procurement Strategy	Audit input to the drafting of these new procedures or guidance	30	Ongoing
Special Projects	Core System	Project Management Toolkit	Audit input to the review and re-writing	20	2
	F&CS	Best Value Service Review -	To complete the review, including the production of a 5 year business plan	25	Ongoing
	Core System	Audit planning,	including: Risk assessment, Audit plans, Annual Reporting and Audit Committees	20	Ongoing
Other Audit Resource	Core	Special Investigations		25	Ongoing
Total Audit Days 2001/2002				607	

Dover District Council Audit Plan by Quarter

Type of Review	Dept	Audit Activity	Draft Scope	Days	Quarter
Audit Reviews	Core System	Corporate Governance	This review will examine the Corporate Governance arrangements to ensure openness, accountability, integrity and strong systems of internal control. This review will be undertaken jointly with District Audit.	20	1
Audit Reviews	Core System	Enabling the Council's Business through IT - Security and Procedures	The roll out of Internet and e-mail access across the authority has opened up a whole range of opportunities. It has also exposed the Council to increased risk in a number of new areas, the audit review will ensure that these risks are being suitably managed and controlled.	30	1
Audit Reviews	F&CS	Housing Benefits - Management Arrangements/ Adjudication	Internal Audit is supporting Housing Benefit Management by facilitating a series of Control Self Assessment key control exercises, followed by detailed audit testing to confirm the findings.	25	1
Audit Reviews	P&TS	Car Parking - CCTV	Facilitate Control Self Assessment by Management	5	1
Follow up	CE	Personnel - Recruitment	Carried forward from 2000/2001. Follow up of High and Medium Level Recommendations accepted during 1999 audit review.	2	1
Follow up	Core System	Procurement	Carried forward from 2000/2001. Follow up of High and Medium Level Recommendations accepted during 1999 audit reviews.	5	1
Follow up	H&H	Housing - re-development project (Airey Housing)	Housing Management have recently introduced new procedures. The follow up will examine the new procedures to ensure that high and medium level recommendations have been implemented effectively.	2	1
Special Projects	Core System	Corporate Surveillance Policy	To cover CCTV, Internet, e-mail, voice and observation	15	1
Special Projects	Core System	Structured Recabling	Post Implementation Review	5	1
System Develop Reviews	Core System	e-financials - FMS	Support the final stages of the installation of the new financial system	10	1

Dover District Council Audit Plan by Quarter

Type of Review	Dept	Audit Activity	Draft Scope	Days	Quarter
Audit Reviews	Core System	Budget Management	A joint review with the Chief Finance Officer and Accountancy Manager to examine budget requirements and commitments against statutory requirements and corporate priorities	25	2
Audit Reviews	F&CS	e-financials - FMS	Examination of the new financial management system to ensure that the key controls are working as intended.	10	2
Audit Reviews	P&TS	Car Parking Financial Management	To examine the business plan, assumptions and objectives of the new Car Parking system and the payment of fixed penalty notices by credit card.	15	2
Audit Reviews	TED	Economic Development Projects - Sure Start	To ensure that the scheme has been correctly set up and the arrangements with the Council adequately protect the Council's position	15	2
Follow up	F&CS	Housing Benefits - Benefit Fraud Investigations and Recovery of Overpayments	Carried forward from 2000/2001. Housing Benefit fraud and prosecution policies are currently being developed. The follow up will examine the implementation of high and medium level recommendations accepted during 1999 audit reviews	5	2
Follow up	H&H	Building Services Rechargeable Work	Internal Audit has been working with Housing Management (as part of a special working group) in the development of new procedures and controls. Follow Up will ensure the implementation of high and medium level recommendations accepted during the 2000 audit review.	5	2
Special Projects	Core System	Project Management Toolkit	Audit input to the review and re-writing	20	2
Audit Reviews	F&CS	Loans and Investments (Treasury Management)	Examination of contract arrangements, monitoring and information flows to ensure complete, accurate and timely investment decisions.	15	3
Audit Reviews	F&CS	NNDR - Property/Assessment Relief	Carried forward from 2000/2001. Examine the adequacy of procedures and controls to ensure accurate assessment calculations and relief provision.	25	3
Audit Reviews	TED	Economic Development Projects - Single Regeneration Budget	Examine a number of individual schemes and the overall SRB arrangements to ensure that the objectives of the scheme are being achieved and the Council is adequately protected.	30	3
Follow up	H&H	Housing - Rents	Internal Audit has been working with Housing Management (as part of a special working group) in the identification of debts, the development of new procedures and controls. Follow Up will ensure the implementation of high and medium level recommendations accepted during the 2000 audit review.	10	3

Dover District Council Audit Plan by Quarter

Type of Review	Dept	Audit Activity	Draft Scope	Days	Quarter
Audit Reviews	F&CS	Council Tax - Assessment and Property	Examine the controls operating over the assessment process to calculate property bands and Council Tax charges, and the completeness of the property database.	25	4
Audit Reviews	F&CS	Creditors/Payments	Examination to ensure accuracy and timeliness of payments.	15	4
Audit Reviews	P&TS	Planning - Application Determination	This review will examine the controls operating over the planning application process from receipt to final determination	20	4
Follow up	F&CS	CCTV at the Whitfield Site	Short follow up of High and Medium Level Recommendations accepted during 2000 audit review.	5	4
Follow up	H&H	Renovation and Improvement Grants	The 2000/2001 audit review is approaching completion. Follow Up will ensure that recommendations accepted during the audit review have been implemented	5	4
Follow up	H&H	Housing Allocations	The follow up will examine to ensure that high and medium level recommendations have been implemented effectively.	5	4
Audit Advice & Guidance	CE	Unplanned	Work commissioned by the department, including audit advice and assistance	10	Ongoing
Audit Advice & Guidance	F&CS	Unplanned	Work commissioned by the department, including audit advice and assistance	10	Ongoing
Audit Advice & Guidance	H&H	Unplanned	Work commissioned by the department, including audit advice and assistance	10	Ongoing
Audit Advice & Guidance	P&TS	Unplanned	Work commissioned by the department, including audit advice and assistance	10	Ongoing
Audit Advice & Guidance	TED	Unplanned	Work commissioned by the department, including audit advice and assistance	10	Ongoing
Audit Reviews	CE	Legal - Accreditation	Quarterly compliance check of files	3	Ongoing

Dover District Council Audit Plan by Quarter

Type of Review	Dept	Audit Activity	Draft Scope	Days	Quarter
Audit Reviews	Core System	Specific Contract(s) Review	Sample checks focusing on current contracts	20	Ongoing
Management Consultancy	Core System	Debt Management	Internal Audit is leading a small task force to introduce new procedures and controls to ensure that debts across the authority are adequately managed.	20	Ongoing
Other Audit Resource	Core System	Audit planning,	including: Risk assessment, Audit plans, Annual Reporting and Audit Committees	20	Ongoing
Other Audit Resource	Core System	Special Investigations		25	Ongoing
Special Projects	Core System	Contract Standing Orders/ Financial Regulations/	Audit input to the drafting of these new procedures or guidance	30	Ongoing
Special Projects	F&CS	Best Value Service Review - Internal Audit	To complete the review, including the production of a 5 year business plan	25	Ongoing
System Develop Reviews	Core System	EMU/euro	The Council is moving towards dual currency facilities at TICs, Area Offices, Car Parks etc. Audit will review and provide support during the development and implementation stages. If after the election the Government of the day moves towards a referendum to accept the euro, the project will increase significantly in priority and become a major development for the Council.	10	Ongoing
System Develop Reviews	Core System	Performance Management	Support the development of the Corporate Management Information System and Local Performance Indicators	15	ongoing
System Develop Reviews	Core System	DP Act 1998	Working with the IT and Legal Departments, ensure that the Council is ready for the 1998 Act and has developed the necessary procedures and controls.	10	Ongoing
System Develop Reviews	TED	Events - Regional Arts Lottery Programme	Provide audit advice at various stages during this partnership project.	10	Ongoing
			Total Audit Days 2001/2002	607	

Dover District Council Audit Plan by Department

Type of Review	Dept	Audit Activity	Draft Scope	Days	Quarter
Audit Reviews	Core System	Corporate Governance	This review will examine the Corporate Governance arrangements to ensure openness, accountability, integrity and strong systems of internal control. This review will be undertaken jointly with District Audit.	20	1
Audit Reviews	Core System	Enabling the Council's Business through IT - Security and Procedures	The roll out of Internet and e-mail access across the authority has opened up a whole range of opportunities. It has also exposed the Council to increased risk in a number of new areas, the audit review will ensure that these risks are being suitably managed and controlled.	30	1
Audit Reviews	Core System	Budget Management	A joint review with the Chief Finance Officer and Accountancy Manager to examine budget requirements and commitments against statutory requirements and corporate priorities	25	2
Audit Reviews	Core System	Specific Contract(s) Review	Sample checks focusing on current contracts	20	Ongoing
Follow up	Core System	Procurement	Carried forward from 2000/2001. Follow up of High and Medium Level Recommendations accepted during 1999 audit reviews.	5	1
Management Consultancy	Core System	Debt Management	Internal Audit is leading a small task force to introduce new procedures and controls to ensure that debts across the authority are adequately managed.	20	Ongoing
Other Audit Resource	Core System	Audit planning.	including: Risk assessment, Audit plans, Annual Reporting and Audit Committees	20	Ongoing
Other Audit Resource	Core System	Special Investigations		25	Ongoing
Special Projects	Core System	Corporate Surveillance Policy	To cover CCTV, Internet, e-mail, voice and observation	15	1
Special Projects	Core System	Structured Recabing	Post Implementation Review	5	1
Special Projects	Core System	Project Management Toolkit	Audit input to the review and re-writing	20	2

Dover District Council Audit Plan by Department

Type of Review	Dept	Audit Activity	Draft Scope	Days	Quarter
Special Projects	Core System	Contract Standing Orders/ Financial Regulations/ Procurement Strategy	Audit input to the drafting of these new procedures or guidance	30	Ongoing
System Develop Reviews	Core System	e-financials - FMS	Support the final stages of the installation of the new financial system	10	1
System Develop Reviews	Core System	EMU/euro	The Council is moving towards dual currency facilities at TICs, Area Offices, Car Parks etc. Audit will review and provide support during the development and implementation stages. If after the election the Government of the day moves towards a referendum to accept the euro, the project will increase significantly in priority and become a major development for the Council.	10	Ongoing
System Develop Reviews	Core System	Performance Management	Support the development of the Corporate Management Information System and Local Performance Indicators	15	ongoing
System Develop Reviews	Core System	DP Act 1998	Working with the IT and Legal Departments, ensure that the Council is ready for the 1998 Act and has developed the necessary procedures and controls.	10	Ongoing
Audit Advice & Guidance	CE	Unplanned	Work commissioned by the department, including audit advice and assistance	10	Ongoing
Audit Reviews	CE	Legal - Accreditation	Quarterly compliance check of files	3	Ongoing
Follow up	CE	Personnel - Recruitment	Carried forward from 2000/2001. Follow up of High and Medium Level Recommendations accepted during 1999 audit review.	2	1
Audit Advice & Guidance	F&CS	Unplanned	Work commissioned by the department, including audit advice and assistance	10	Ongoing
Audit Reviews	F&CS	Housing Benefits - Management Arrangements/ Adjudication	Internal Audit is supporting Housing Benefit Management by facilitating a series of Control Self Assessment key control exercises, followed by detailed audit testing to confirm the findings.	25	1
Audit Reviews	F&CS	e-financials - FMS	Examination of the new financial management system to ensure that the key controls are working as intended.	10	2

Dover District Council Audit Plan by Department

Type of Review	Dept	Audit Activity	Draft Scope	Days	Quarter
Audit Reviews	F&CS	Loans and Investments (Treasury Management)	Examination of contract arrangements, monitoring and information flows to ensure complete, accurate and timely investment decisions.	15	3
Audit Reviews	F&CS	NNDR - Property/Assessment Relief	Carried forward from 2000/2001. Examine the adequacy of procedures and controls to ensure accurate assessment calculations and relief provision.	25	3
Audit Reviews	F&CS	Council Tax - Assessment and Property	Examine the controls operating over the assessment process to calculate property bands and Council Tax charges, and the completeness of the property database.	25	4
Audit Reviews	F&CS	Creditors/Payments	Examination to ensure accuracy and timeliness of payments.	15	4
Follow up	F&CS	Housing Benefits - Benefit Fraud Investigations and Recovery of Overpayments	Carried forward from 2000/2001. Housing Benefit fraud and prosecution policies are currently being developed. The follow up will examine the implementation of high and medium level recommendations accepted during 1999 audit reviews	5	2
Follow up	F&CS	CCTV at the Whitfield Site	Short follow up of High and Medium Level Recommendations accepted during 2000 audit review.	5	4
Special Projects	F&CS	Best Value Service Review - Internal Audit	To complete the review, including the production of a 5 year business plan	25	Ongoing
Audit Advice & Guidance	H&H	Unplanned	Work commissioned by the department, including audit advice and assistance	10	Ongoing
Follow up	H&H	Housing - re-development project (Airey Housing)	Housing Management have recently introduced new procedures. The follow up will examine the new procedures to ensure that high and medium level recommendations have been implemented effectively.	2	1
Follow up	H&H	Building Services Rechargeable Work	Internal Audit has been working with Housing Management (as part of a special working group) in the development of new procedures and controls. Follow Up will ensure the implementation of high and medium level recommendations accepted during the 2000 audit review.	5	2
Follow up	H&H	Housing - Rents	Internal Audit has been working with Housing Management (as part of a special working group) in the identification of debts, the development of new procedures and controls. Follow Up will ensure the implementation of high and medium level recommendations accepted during the 2000 audit review.	10	3

Dover District Council Audit Plan by Department

Type of Review	Dept	Audit Activity	Draft Scope	Days	Quarter
Follow up	H&H	Renovation and Improvement Grants	The 2000/2001 audit review is approaching completion. Follow Up will ensure that recommendations accepted during the audit review have been implemented	5	4
Follow up	H&H	Housing Allocations	The follow up will examine to ensure that high and medium level recommendations have been implemented effectively.	5	4
Audit Advice & Guidance	P&TS	Unplanned	Work commissioned by the department, including audit advice and assistance	10	Ongoing
Audit Reviews	P&TS	Car Parking - CCTV	Facilitate Control Self Assessment by Management	5	1
Audit Reviews	P&TS	Car Parking Financial Management	To examine the business plan, assumptions and objectives of the new Car Parking system and the payment of fixed penalty notices by credit card.	15	2
Audit Reviews	P&TS	Planning - Application Determination	This review will examine the controls operating over the planning application process from receipt to final determination	20	4
Audit Advice & Guidance	TED	Unplanned	Work commissioned by the department, including audit advice and assistance	10	Ongoing
Audit Reviews	TED	Economic Development Projects - Sure Start	To ensure that the scheme has been correctly set up and the arrangements with the Council adequately protect the Council's position	15	2
Audit Reviews	TED	Economic Development Projects - Single Regeneration Budget	Examine a number of individual schemes and the overall SRB arrangements to ensure that the objectives of the scheme are being achieved and the Council is adequately protected.	30	3
System Develop Reviews	TED	Events - Regional Arts Lottery Programme	Provide audit advice at various stages during this partnership project.	10	Ongoing
Total Audit Days 2001/2002				607	

3. Audit Resources

Dover District Council – Internal Audit Available Resources – 2001/02								
Name	Total Days 00/01	Less Absences		Total Available Days	Less Non Audit Days			Available Audit Days
		Holiday	Sickness		Corporate issues/ General Management	Administration	Training	
Audit Manager	260	37	5	218	100	12	6	100
Senior Auditor	235	46	5	184	32	12	8	132
Auditor (1)	260	42	5	213	0	12	22	179
Auditor (2)	260	46	54	160	0	28	3	129
Auditor (3)	130	15	5	110	0	5	5	100
Total	1145	186	74	885	132	69	44	640

Annual Audit Plan

1. Internal Audit Resources - Available Resources Model

This determines the available audit days to deliver the audit service.

- Available audit days as a percentage of total working days in 2001/2002 ($640/1145 \times 100$) = 55.9%
- Available audit days as a percentage of total available days in 2000/01 ($640/885 \times 100$) = 72.3%

The second auditor post holder is currently long term sick. The resource available is based on an assumed return to work in June 2001.

The third auditor post is a six month contract. The resource available is based on this contract period.

A restructuring of the team is proposed following the Best Value Service Review.

Assumptions used in the model:

Holiday

Recognises different leave entitlement depending on length of service. Includes privilege days and annual leave entitlement.

Sickness

Based on an average of 5 days per person per year. For the second auditor post a return to work in June 2001 has been assumed.

Training

Includes an allowance for IIA professional training for an auditor.

Criteria:

Corporate Issues/Internal Management:

Support to Corporate initiatives not identified in the plan.

General management not directly associated with delivery of the audit service e.g. staff appraisals, internal management meetings, manager's forum

Administration:

Includes: filing, circulars, committee papers and generally keeping up to date with the activities of Dover District Council

David Randall
Audit Manager

19th March 2001