

<b>MAIN FINANCIAL SYSTEMS</b>		
These are the main financial systems that support the running of the councils. These audit reviews are carried out to provide independent assurance to the Assistant Director (Resources and Performance) / S151 Officer that arrangements are operating effectively, and in line with the Finance Procedure Rules and Treasury Management Strategy as appropriate. The regularity of the audit review required depends on a number of factors, for example, previous assurance opinions, year last audited, system and resource changes.		
<b>Subject</b>	<b>Outline Scope</b>	<b>Priority</b>
<b>Creditors</b>	To provide assurance that payments made are valid, authorised, accurate and timely, in respect of goods and services received by the councils and that they have been properly accounted for in the councils' accounts.	1
<b>Debtors</b>	To provide assurance that invoices are complete, accurate and timely, that all invoices are paid and accounted for in the councils' accounts, and for those not paid timely action is taken to recover them; with uneconomic and irrecoverable amounts written off in line with the councils' write-off policy.	1
<b>Treasury Management</b>	To provide assurance that accurate, complete and timely information is produced to allow for effective monitoring and decision making in line with the investment strategy; that transactions are complete, accurate, valid and timely and made with institutions in line with the Treasury Management Strategy; and that treasury management activities are monitored and scrutinised in accordance with the CIPFA Code of Practice.	1
<b>Car Parks Cash Handling</b>	To provide assurance that effective controls are in place over car parking cash collection, retention and banking systems.	1
<b>Council Tax &amp; Overpayments</b>	To review and test systems for the collection of overpayments and council tax ensuring that legislation is adhered to, exemptions and reliefs are correctly administered, refunds are appropriate, debt recovery is taking place, and to review the reconciliation of the council tax system to the general ledgers.	1
<b>Housing &amp; Council Tax Benefits</b>	To review and test systems for the administration and payment of housing benefit and council tax reduction, to ensure that legislation is adhered to, and control accounts are regularly reviewed.	1
<b>Payroll</b>	To provide assurance that key controls exist for payroll processing including adequate documentation for starters and leavers, controls over amendments to individual payroll records, verifications to ensure that statutory deductions are correctly calculated and promptly paid to the Inland Revenue, reconciliations between the payroll system and the general ledger are correctly and promptly undertaken, and any changes to pay and rewards have been correctly implemented.	1

	A limited review of this area is planned for 2017/18, with a full review being undertaken in 2018/19.	
<b>General Ledger</b>	To provide assurance that financial transactions are correctly recorded including ensuring their completeness and integrity, with the aim of providing the data from which the councils' annual Statements of Accounts can be prepared. A limited review of this area is planned for 2017/18, with a full review being undertaken in 2018/19.	1

**ADDED VALUE WORK**

This category of audit work relates to areas identified by management and internal audit that would benefit from audit input in the form of providing support and advice to management including reviewing relevant arrangements on behalf of management and/or assisting in making improvements. Care will be taken to ensure these activities do not impinge upon internal audit independence.

These pieces of work will generally be one-off activities (unlike the annual financial systems reviews) and will not always result in a formal report being issued or an opinion provided. However, these pieces of work will contribute to a balanced audit plan which enables the Service Manager (Internal Audit) to give his statutory annual audit opinion on the adequacy and effectiveness of the councils' framework of risk management, control and governance processes.

Work included in this category is likely to include areas such as reviewing arrangements for contract management, providing corporate support for the project management framework, and feeding into project working groups where audit skills will add value. An ongoing assessment of potential work areas will ensure that audit resource will be used in those areas which will benefit most from audit input and it is therefore important to recognise the need for flexibility in the allocation of audit resources across all areas of audit work including Added Value Work as well as Corporate and Business Area Audits (see below).

<b>CORPORATE AND BUSINESS AREA AUDITS</b>		
<p>These are reviews of systems, processes or tasks where the internal controls are identified, tested, and evaluated. These are therefore more traditional pieces of audit work in contrast to the Added Value Work referred to above.</p> <p>Again, unlike the annual financial systems reviews these pieces of work will generally be one-off activities but they will normally result in a formal report being issued and an opinion provided.</p> <p>The work in this category is driven by a shared understanding between management and internal audit of relevant risks.</p> <p>Work included in this category is likely to include, but not necessarily be restricted to, the following pieces of work. An ongoing assessment of potential work areas will ensure that audit resource will be used in those areas which will benefit most from audit input.</p>		
<b>Subject</b>	<b>Outline Scope</b>	<b>Priority</b>
<b>Cyber Security</b>	Review controls in place in respect of cyber security to prevent serious service disruption and permanent damage from occurring.	1
<b>HMRC – Off Payroll Engagement (IR35)</b>	Check payments to consultants, contractors and interim payments are treated correctly for tax and NIC purposes to ensure HMRC regulations and agreements are being complied with.	1
<b>Contract Extensions</b>	In collaboration with the Procurement Manager, review a sample of contracts to determine whether the terms of the contracts have been complied with and value for money obtained when contracts are extended.	2
<b>Procurement</b>	Review a sample of payments not linked to a contract to determine whether Contract Procedure Rules are being followed and value for money obtained.	2
<b>Declarations of Interests</b>	Assess the arrangements in place to ensure that any relevant employee interests are declared and appropriately managed.	2
<b>Gifts and Hospitality</b>	Assess the arrangements in place for promoting appropriate conduct in respect of gifts and hospitality.	2
<b>Follow Ups</b>	Whilst it is management’s responsibility to manage the risks associated with the areas under their authority, internal audit will monitor progress against the implementation of all agreed audit recommendations deemed to be high / medium risk.	1

<b>FRAUD, IRREGULARITY AND PROBITY</b>		
Proactive testing of systems and processes to identify potential fraud and misappropriation or noncompliance with policies and procedures; and reactive investigations if any are required into potential wrong doing, fraud and corruption.		
<b>Subject</b>	<b>Outline Scope</b>	<b>Priority</b>
<b>Irregularity Investigations</b>	Reactive work where suspected irregularity has been detected.	1
<b>Data matching</b>	Co-ordinating review of National Fraud Initiative matches, and developing of other data matching reports.	1
<b>Proactive Fraud and Corruption Work</b>	Proactive anti-fraud work that includes targeted testing of processes with inherent risk of fraud. For example, carrying out cash handling spot checks at council sites, to review controls in place over cash collection, retention and banking systems.	2
<b>Fraud Awareness and Publicity</b>	Continuing to raise awareness of fraud issues and how to report suspicions.	2

<b>OTHER AUDIT ACTIVITY TO SUPPORT THE AUDIT OPINION</b>		
Includes providing advice on systems and processes and includes attendance at working groups to advise on risk and control, as well as responses to specific enquiries.		
<b>Subject</b>	<b>Outline Scope</b>	
<b>Annual Governance Statement Working Group</b>	Production of the West Suffolk Annual Governance Statement and its associated documents.	
<b>Information</b>	Audit support and advice on information governance policies and practices.	

<b>Governance Working Group</b>	
<b>Strategic Risk Management Group</b>	Review of strategic risks prior to submission to Leadership Team and Performance and Audit Scrutiny Committee.
<b>General Advice and Assistance</b>	Provision of advice and assistance on the risk, governance and internal control environment.
<b>Financial Vetting and Financial Due Diligence for investment decisions</b>	Carry out financial vetting / financial due diligence checks on businesses (prospective suppliers, contractors, industrial unit tenants and partners) to minimise financial risks to the councils.
<b>Internal Audit External Working Groups</b>	Participation in relevant groups to share learning and good practice.
<b>Liaison with External Audit</b>	To ensure there is no duplication of work between internal and external audit.

<b>FEE EARNING</b>	
Fee earning services to other local authorities who request our assistance. Approximately £14k is expected to be earned in 2017/18.	
<b>Subject</b>	<b>Outline Scope</b>
<b>Audit Review</b>	Audit of council tax and housing benefits systems on behalf of other ARP partners

<b>Grant Certification</b>	Grant certification work for Suffolk County Council to provide assurance that the conditions of the specific grant determinations have been complied with: <ul style="list-style-type: none"> <li>• Department for Business Innovation &amp; Skills - Growth Hub Funding to Local Enterprise Partnership</li> <li>• Trading Standards Institute - Safety at Ports and Borders Team and Single Point of Contact for Border Controls</li> <li>• New Anglia LEP – funding for Greater Cambridgeshire and Greater Peterborough LEP</li> </ul>
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<b>OTHER WORK</b>	
<b>Subject</b>	<b>Outline Scope</b>
<b>West Stow Anglo Saxon Village Trust Accounts</b>	Independent Examiners' report on the accounts to provide assurance on the charity trustees' preparation of the accounts.

**Priority Key**

<b>1</b>	High
<b>2</b>	Medium