

November 2007

Kent County Council

Internal Audit Service

Strategic Audit Plan October 2007 – March 2008

I. Cross Cutting/Corporate Projects

Ref.	Audit	Risk Category	Days	Audit Details		
				Comments	Audit Owner	Timing
CR01	Governance of Partnerships	Requirement under Governance Statement	25	A review to ensure that partnerships are well governed, in line with the new "Risk Management of Key Partnerships" guidance.	Resource Directors	Quarter 3
CR02	Corporate Governance 'Health Check'	Requirement under Governance Statement	30	<p>A review to ensure that the corporate governance arrangements outlined in the Code of Corporate Governance are in place. Our objectives in undertaking this review of corporate governance arrangements are to:</p> <ul style="list-style-type: none"> • To provide some reasonable assurance on the adequacy of governance arrangements in KCC for the purpose of the annual internal audit assurance on governance, risk and internal control (governance statement); and • Assess whether KCC is complying with key governance requirements 	Resource Directors	Quarter 4
CR03	Risk Management Framework	Requirement under Governance Statement	30	<p>Consideration of the adequacy of existing risk management arrangements. Scope to include</p> <ul style="list-style-type: none"> • Adequacy of risk registers • Adequacy of Risk Management training • Identifying the extent to which departments are managing risks 	Resource Directors	Quarter 4
CR04	Consultants – FU Review	Carried forward	25	Follow up to previous audit report (in 1st six months plan)	Resource Directors	Quarter 3

Ref.	Audit	Risk Category	Days	Audit Details		
				Comments	Audit Owner	Timing
CR05	*ICT Governance Framework	ICT risk assessment to be performed in next 6 months	22	Top-Down review of the framework for ICT governance covering structure, risk management, processes and ICT controls.	Resource Directors	Quarter 3
CR06	*Software Legitimacy	ICT risk assessment to be performed in next 6 months	12	Software asset management, including license controls	Resource Directors	Quarter 3
	Total – Cross Cutting Projects		144	*34 days relate to audits that cover IT areas,		

II. Chief Executive's Department

Ref.	Audit	Risk Category	Days	Audit Details		
				Comments	Audit Owner	Timing
CED01	CRB Follow Up	Follow up to Minimal Assurance	20	Follow Up audit of CRB procedures within Employee Services.	Jackie Turner - Employee Services Manager	Quarter 4
CED02	Property Contract Monitoring	From 1st 6 months	25	Assurance that the Estate Management services are delivered to expected standards	Mike Austerberry – Director of Property	Quarter 4
CED03	Expenditure Direct Purchases	Inherent 25 Residual 9 Score 16	15	Assurance that the purchasing of direct materials at business units are properly managed, controlled and accounted for in the correct financial year.	TBC	Quarter 4
CED04	*Kent Public Service Network Project	ICT risk assessment to be performed in next 6 months	23	Review of the processes and controls in place for the selection of the Kent Public Service Network (KPSN) solution.	Policy & Commissioning (Chief Executive's Department – ISG)	Quarter 3/4
CED05	*Oracle Application Security	ICT risk assessment to be performed in next 6 months	40	Oracle application security controls, including segregations of duties within selected modules.	Oracle Systems Manager – KSSIP (Chief Executives Department - ISG)	TBC

Ref.	Audit	Risk Category	Days	Audit Details		
				Comments	Audit Owner	Timing
CED06	*Network Security	ICT risk assessment to be performed in next 6 months	22	Network operating system security, user administration procedures, and network perimeter security controls, including existing remote access processes and controls.	Head of ISG Operations (Chief Executive's Department – ISG)	TBC
CED07	*Wireless Network Security	ICT risk assessment to be performed in next 6 months	22	Policies and procedures for the wireless network security and the wireless network security controls in place for a sample of locations where wireless networks are in place.	Head of ISG Operations (Chief Executive's Department – ISG)	TBC
CED08	*Data Protection	ICT risk assessment to be performed in next 6 months	10	Policies and procedures for compliance with the Data Protection Act within Commercial Services.	Head of IT, Commercial Services	TBC
CED09	*KSSIP Unix Environment	ICT risk assessment to be performed in next 6 months	21	Operating system security, administration, support and maintenance procedures.	Oracle Systems Manager – KSSIP (Chief Executives Department - ISG)	Quarter 3

Ref.	Audit	Risk Category	Days	Audit Details		
				Comments	Audit Owner	Timing
CED10	*E-Document Security	ICT risk assessment to be performed in next 6 months	8	Policies, access controls, user management.	Director Of Law & Governance (Chief Executives Department – Legal Services)	Quarter 3
CED11	*HR Payroll Car Expenses System.	ICT risk assessment to be performed in next 6 months	10	Mileage claims are processed accurately.	Jackie Turner - Employee Services Manager	Quarter 3
	Total – Chief Executives Department		216	*156 days relate to audits that cover IT areas.		

III. Children Families and Education

Ref.	Audit	Risk Category	Days	Audit Details		
				Comments	Audit Owner	Timing
CFE01	CRB/Recruitment in schools	From 1st 6 months	20	Follow up audit of CRB and recruitment checks at a selection of schools.	Keith Abbott – Director, Finance and Corporate Affairs	Quarter 3
CFE02	Compliance and Financial Management in schools	From 1st 6 months plan	25	To provide assurance that finances in schools are managed correctly. Scope to focus on the statutory returns completed by schools and submitted to the CFE Finance Department.	Keith Abbott – Director, Finance and Corporate Affairs	Quarter 3/4
CFE03	PLASC returns	M'ment request	Up to 60	Provide support to CFE in the assurance activity around the schools' PLASC returns. Details of scope and coverage to be agreed with CFE Finance.	Keith Abbott – Director, Finance and Corporate Affairs	Quarter 4 (February)
CFE04	Contribution to the implementation of Kent strategies	Inherent 20 Residual 5 Score 15	Up to 50	A review Standards and Achievement's contribution to the implementation of Kent strategies, including the development of Local Children's Trusts, the Early Years and childcare strategy, Primary and Secondary Strategies, the 14-19 Learner Strategy, Building schools for the Future, the development of Extended services and Children's Centres and the development of Academies.	Carol Parsons – Director, Standards and Achievement	Quarter 4
CFE05	*Integrated Children's System	ICT risk assessment to be performed in next 6 months	10	Project management processes and procedures in place for the delivery of the new Integrated Children's System	TBC	Quarter 4

Ref.	Audit	Risk Category	Days	Audit Details		
				Comments	Audit Owner	Timing
	Total – Children Families and Education		165	*10 days relate to audits that cover IT areas.		

IV. Adult Social Services

Ref.	Audit	Risk Category	Days	Audit Details		
				Comments	Audit Owner	Timing
KASS01	Benefit maximisation		30	Review of the objective of seeking benefit maximisation.	Chris Grosskopf, County Benefits Manager	Quarter 3/4
KASS02	CRB checks		15	Examination of processes within KASS only (other audits undertaken elsewhere for CRB) for obtaining CRB checks.	Caroline Highwood, Resources Director	Quarter 3/4
KASS03	Transitional planning for disabled young people	Inherent 25 Residual 6 Score 19	25	Examination of process for planning for transitional disabled young people – may need links to CFE.	Anne Tidmarsh & Chris Belton – Heads of Adult Services	Quarter 4
KASS04	Contracts arrangements for residential and nursing care	Inherent 25 Residual 9 Score 16	25	Focus on controls within the contracting function to establish whether placements in residential and nursing care receive a high quality service.	Cathi Sacco, Head of Contracting and Quality Assurance	Quarter 4
KASS05	Adult Protection Procedures	Inherent 25 Residual 12 Score 13	25	Examination of application of procedures for adult protection, comparing practices between East and West Kent.	Anne Tidmarsh & Chris Belton – Heads of Adult Services	Quarter 4
KASS06	Kent Card/Use of Direct payments	Inherent 20 Residual 12 Score 8	30	Use of the Kent Card, including irregularities concerning Direct Payments.	TBC	Quarter 4
KASS07	Development of preventative services	Inherent 25 Residual 16 Score 9	25	Evaluation of directives to establish whether this key objective is being managed.	TBC	Quarter TBC

Ref.	Audit	Risk Category	Days	Audit Details		
				Comments	Audit Owner	Timing
KASS08	*Swift Application	ICT risk assessment to be performed in next 6 months	20	Operational, support and maintenance procedures, system security and data integrity controls.	Director - Resources (Adult Services)	Quarter 3
	Total – Kent Adult Social Services		195	*20 days relate to audits that cover IT areas.		

V. Communities

Ref.	Audit	Risk Category	Days	Audit Details		
				Comments	Audit Owner	Timing
CMY01	Delivery of programme of modernisation	Inherent 20 Residual 9 Score 11	30	A review to ensure the continued programme of modernising library environments and services is being effectively controlled and progress monitored robustly.	Cath Anley – Head of Libraries	Quarter 4
CMY02	Funding for Sports Development		28	A review of the strategy to ensure continual funding for Sports Development and the assurance that funding is controlled and monitored.	Chris Hespe – Head of Leisure Services	Quarter 4
	Total – Communities		58			

VI. Environment and Regeneration

Ref.	Audit	Risk Category	Days	Audit Details		
				Comments	Audit Owner	Timing
ER01	Waste	Inherent 25 Residual 10 Score 15	30	Landfill Allowance Trading Scheme – evaluation of system to trade within this scheme	Sue Barton/ Caroline Arnold	Quarter 4
ER02	Contract procurement	Inherent 16 Residual 10 Score 6	25	Examination of contracts placed with external organisations.	TBC	Quarter 4
ER03	Financial control within KHS procurement and ordering system (WAMS)	Mment Request	30	Requested by Geoff Harrison-Mee (Director KHS)	Geoff Harrison-Mee, Director KHS	Quarter 3/4
ER04	Midas replacement	From 1st 6 months plan	15	Advice and information on replacement system for Midas (delayed from 1st six months due to Directorate not being ready for the review).	Barry Gould, Finance Manager	Quarter 4
ER05	KHS restructure	Mment Request	15	Advice and information on KHS restructure.	Geoff Harrison-Mee, Director KHS	Quarter 3/4
ER06	Securing adequate funding to deliver business objectives	Inherent 25 Residual 12 Score 13	25	Examine process for securing external funding	TBC	TBC
ER07	Local transport plan	Inherent 20 Residual 9 Score 11	20	Examine system and process for prioritising KCC transport schemes.	Mick Sutch	TBC

Ref.	Audit	Risk Category	Days	Audit Details		
				Comments	Audit Owner	Timing
	Total – Environment and Regeneration		160			

VII. Section 151

Ref.	Audit	Risk Category	Days	Audit Details		
				Comments	Audit Owner	Timing
S01	Overtime Payments	Key Financial Systems annual audit	15	To provide assurance that overtime payments are appropriately authorised and paid accurately and promptly.	Jackie Turner - Employee Services Manager	TBC
S02	*Schools' Payroll	Key Financial Systems annual audit	60	To provide assurance over the adequacy of control for schools payroll processes.	Keith Abbott – Director, Finance and Corporate Affairs	Quarter 3/4
S03	Revenue Budget Monitoring – E&R	Key Financial Systems annual audit	25	Cycle of directorate revenue budget monitoring audits to be undertaken annually beginning in E&R. To provide assurance that revenue budgets are well controlled.	Barry Gould - Directorate Finance Manager	Quarter 4
S04	Purchase Cards	Key Financial Systems annual audit	20	Review of expenditure incurred on purchase cards assigned to officers and monitoring procedures.	Nick Vickers – Head of Financial Services	Quarter 3
S05	Contract Audit	Key Financial Systems annual audit	30	Review of tendering procedures of a sample of contracts secured and ongoing monitoring of those contracts. To be conducted in liaison with benchmarking and strategy work being undertaken within procurement.	Nick Vickers – Head of Financial Services	TBC

Ref.	Audit	Risk Category	Days	Audit Details		
				Comments	Audit Owner	Timing
S06	Pensions	Key Financial Systems annual audit	10	<p>Work to be carried out externally by PwC specialists. Internal Audit to provide 10 days support to external review.</p> <p>Review will provide assurance that pensions are properly administered. We will review the administration and governance arrangements in place for the pension fund (including investments) and pension payments. CAATS will be used as appropriate.</p> <p>Scope to include:</p> <ul style="list-style-type: none"> Contributions: - Look at the process during the year to reconcile contributions receivable with that received Benefits: - benchmark the checks / controls they have in place against other high performing organisations Investments / investment income - arrangement in place with the investment managers and the processes for ensure that the transactions are recorded completely and accurately, also benchmark governance arrangements Membership data processing – relevant to the efficiency agenda (i.e. how long does it take from the moment a piece of mail or phone call is received by KCC until it is processes. How do they monitor this?) 	Nick Vickers – Head of Financial Services	Quarter 4
S07	Schemes of Delegation	Key Financial Systems annual audit	30	A review to ensure that the Schemes of Delegation are being complied with.	Directorate Heads of Finance	Quarter 3/4
S08	Fixed Assets	Key Financial Systems annual audit	37	<p>A review to ensure that the fixed assets register is complete and accurate. Scope also to include;</p> <ul style="list-style-type: none"> Acquisitions and Disposals Depreciation and Valuations Accounting Treatment 	TBC	Quarter 4

Ref.	Audit	Risk Category	Days	Audit Details		
				Comments	Audit Owner	Timing
S09	Treasury Management	Key Financial Systems annual audit	10	Annual review of treasury management to provide assurance on the adequacy, efficiency and effectiveness of controls operating to mitigate the risks within the operation of the treasury management system.	Jane Gibbons – Principal Accountant (Investments)	TBC
S10	Accounts Receivable	Key Financial Systems annual audit	20	A review to provide assurance that invoices for income due to the Authority are raised accurately and promptly, that income due is received, banked and recorded against appropriate accounts.	Exchequer Services Manager	Quarter 4
	Total – Section 151		257	* 25 days to be provided from the CFE allocation of audit days		

IX. Summary

Audit	Comments			
	April - Sept	Oct - March	Total	Reconcile to Original Plan
Team 1				
Information Technology	80	220	300	300
Team 2				
S151 reviews		232		
Cross Cutting reviews		110		
TOTAL	163	342	505	505
Team 3				
Children, Families and Education		180		
Chief Executives Department		60		
Communities		58		
TOTAL	152	298	450	450
Team 4				
Kent Adult Social Services		175		
Environment and Regeneration		160		
TOTAL	115	335	450	450

* Information technology audits have been included in the relevant directorate plans

Appendix - Risk and Likelihood Matrices

Risk Ranking Matrix

		Likelihood				
		Very likely	Likely	Possible	Unlikely	Very Unlikely
RISK RATING MATRIX	5	5 Low	10 Medium	15 Medium	20 High	25 High
	4	4 Low	8 Medium	12 Medium	16 High	20 High
	3	3 Low	6 Low	9 Medium	12 Medium	15 Medium
	2	2 Low	4 Low	6 Low	8 Medium	10 Medium
	1	1 Low	2 Low	3 Low	4 Low	5 Low
		Minor	Moderate	Significant	Serious	Major
		Impact				

Likelihood Assessment Matrix

Factor	Score	Indicators
Very likely	5	Regular occurrence Circumstances frequently encountered i.e. daily/weekly/monthly The risk is current & is almost certain to happen in the immediate future or within the next 12 months
Likely	4	Likely to happen at some point within the next 1-2 years Circumstances occasionally encountered (once/twice a year)
Possible	3	Has happened in past Reasonable possibility it will happen within next 3 years
Unlikely	2	May have happened in the past Likely to happen in 3+ years
Very Unlikely	1	Has happened rarely/never before