

Internal Audit Progress Report

Update to the Accounts, Audit and
Risk Committee on Internal Audit
activity

Cherwell District
Council

September 2015

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Introduction

We are committed to keeping the Accounts, Audit and Risk Committee up to date with internal audit progress and activity throughout the year. This summary has been prepared to update you on our activity since the last meeting of the committee and to bring to your attention matters that are relevant to your responsibilities as members of the committee.

We have also attached again for reference some of the latest publications that might be of interest to you as members of the committee (these are included in Appendix 1).

2015/16 audit plan update

We continue to have discussions with management on the audit plan for 2015/16 and plan to have further discussions over October with a view to agree appropriate scopes for the main financial systems reviews and agree the key non-financial systems reviews and delivery prior to March 2015. We have planned in discussion with management to complete our reviews in a smaller number of blocks and therefore remain on track with our proposed plan for delivery during quarter 3 and quarter 4.

We have identified and propose no changes to the areas of review included in the plan that was presented to the committee in March 2015.

Annual plan and indicative timeline

The following table sets out our internal audit work planned for 1 April 2015 to 31 March 2016, together with indicative start dates for each audit.

Ref	Auditable Unit Points of Focus					Comments
		Q1	Q2	Q3	Q4	
A	Corporate systems / Cross Cutting Reviews					
A.1	Finance Systems To cover the following on risk basis <ul style="list-style-type: none"> • General Ledger • Payroll • Collection Fund (Council Tax and NNDR) • Housing Benefits • Debtors • Creditors 			✓		We will aim to direct our data team specialists to deliver more effective and efficient outputs and assurance over your key financial cycles.
B	Department					
B.1	Programme Management Ongoing support to consider programme management and key ways of working on major programmes across the council, to be agreed during the plan year. Key projects include: <ul style="list-style-type: none"> • Graven Hill • Bicester Town Centre Redevelopment • Build Programme 			✓	✓	We will aim to direct our project and commercial assurance specialists to your key areas of risk for major projects and third party relationships.
B.2	Risk Management/Governance				✓	

	Review the adequacy of risk management arrangements within the Council and we will provide you with a view on your Joint Risk Management arrangements.					
B.3	<p>IT General Controls Review controls around key controls on selected systems</p> <p>System Reviews We can help support or review around key system changes from a variety of aspects including: system configuration, application and database controls and reporting configurations.</p> <p>Cyber Security We view cyber security through a rounded approach and is designed to provide you with confidence: in your people, technology and connections, how you manage risk, set priorities and respond to an incident or during a crisis. Our approach typically begins with an assessment of your current capability and a recommendation of areas for improvement.</p>			✓	✓	We will aim to direct our data team specialists to deliver more effective and efficient outputs over your IT and data environments
B.5	<p>Service Redesign / Compliance Reviews To review current service plans and operational design and arrangements to benchmark performance on selected service.</p> <ul style="list-style-type: none"> • Planning and the Economy • Regeneration and Housing • Environmental Services 			✓	✓	<p>We undertake review(s) within council services / departments dependent on our annual risk assessment.</p> <p>We will review compliance over planning applications which had been deferred from the 2014/15 plan agreed with management.</p>
B.6	<p>Finance Year End Support To support you at year end. This support will include a critical review of your draft accounts, accountancy support and attendance at your close down group.</p>					This is directed by areas of support required for your annual statement of accounts.
VE	Value Enhancement					
VE.1	<p>Joint Working and Transformation Programme Review of the governance and business cases for efficiencies and savings for three way working.</p> <ul style="list-style-type: none"> • Governance Models • New Ways of Working 			✓	✓	We will utilise where appropriate our data and project specialists to align to your key risks and gaps in assurance through ongoing dialogue with management.
PM	Project management					
PM.1	Project management	✓	✓	✓	✓	
PM.2	Contingency					We aim to have an element of contingency in each plan

Appendix 1 – Recent PwC Publications

As part of our regular reporting to you, we plan to keep you up to date with the emerging thought leadership we publish. The PricewaterhouseCoopers Public Sector Research Centre ('PSRC') produces a range of research and is a leading centre for insights, opinion and research on best practice in government and the public sector.

All publications can be downloaded in full at www.psrc.pwc.com

Delivering the decentralisation dividend

With decentralisation high on the agenda in the UK, our report *Delivering the decentralisation dividend* sets out the potential prize of decentralisation - good growth, public service reform and public engagement - and the barriers to be overcome if local places are truly to deliver the decentralisation dividend.

Our local government polling has found growing confidence behind decentralisation following the 2015 General Election, with a third of council chief executives and leaders now agreeing their council will have significantly more powers and responsibilities by 2020, up from 22% in March 2015.

Key barriers to decentralisation identified by local authorities include the sustained and growing financial pressures on councils, difficulty in establishing effective collaborative relationships with local government partners, and the requirement for a directly elected mayor.

To deliver on decentralisation, localities need to take a whole system approach and keep a keen focus on the outcomes that collaborative working can achieve, embracing 'decentralisation by design' to rethink public services and investment for growth across a place.

Key local institutions - local authorities, combined authorities and LEPs - need to ensure they have the leadership, capability, capacity and accountability in place to make their case to central government and to then deliver on their plans.

Delivering growth: Where next for Local Enterprise Partnerships?

Local Enterprise Partnerships (LEPs) in England have come a long way since their inception in 2010. The LEPs may all have started out from different points and evolved at different speeds, but as a group they are now firmly established as the lead agencies for promoting local growth. LEPs can't solve all the problems facing local economies but as a group, they have demonstrated they can make a difference.

The challenge ahead will be to see through their plans and programmes and deliver their economic strategies. Some of the LEPs, however, are arguably under-powered and under-resourced for the tasks they face and their immediate. Despite their varying capabilities and limited core funding they will all have to ensure that public and private funds are spent effectively and deliver results in terms of improved productivity and local economic growth.

Our Talking Points with the Smith Institute draws on interviews with 22 LEP leaders (mainly chairs and chief Executives) and a briefing event hosted at the LEP Annual Conference in March 2015 to explore 'where next' for Local Enterprise Partnerships.

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