

**THE MORAY COUNCIL**

**INTERNAL AUDIT SERVICE**

**ANNUAL AUDIT PLAN 2019/20 - PROGRESS OF PLANNED PROJECTS AT HALF YEAR**

<b>CORE FINANCIAL SYSTEMS</b>		
<b>Area</b>	<b>Type of coverage</b>	<b>Progress as at 30 September 2019</b>
Financial Management System	Network review with specific reference to user access and activity monitoring arrangements.	To commence q4
Payroll	Regularity testing to include flow of information between HR and Payroll sections	Some payroll testing carried out; further work will consider the impact (if any) of the two sections being brought together under a single Head of Service.
Housing Benefits - Rent Rebates and Rent Allowances	Substantive testing of selected benefit claims to confirm the accuracy of the Council's benefit subsidy claim for 2018/19 year.	Completed and claim submitted to External Audit. Low error rate. Additional testing requested which is currently being carried out.
Procurement and Creditor Payments	Continuous auditing of samples of non pay expenditure to test compliance with procurement and payment processing regulations.	Sample testing undertaken for duplicate payments, unusual transactions VAT issues; also review of procurement specific to care contracts following concerns about contract award. Testing of randomly selected invoices continues.

Debtors Management	To assess current systems for collection of fees and charges and sample testing of selected areas where fees and charges are levied.	Some work has been under taken to look at charging for brown bin waste permits – will be reported to the next meeting of this committee.
Capital Plan	Audit testing of contract management arrangements for selected projects within the capital plan.	Two bridge contracts reviewed and findings already reported. May defer any further work to next year depending on progress with other projects.
Stocks and stores - year end valuations	Attendance at stocktaking and reconciliation of stocks held to ledger balances	Completed and reported within annual accounts.
Cyber security	Identification and assessment of the potential threats to the council's ICT systems and how these are being managed	Some research done re latest Scottish Government advice on this topic - audit will not be progressed until q4
<b>OTHER SYSTEMS</b>		
<b>Area</b>	<b>Type of coverage</b>	
Environmental Services: EU Unit /business development budget	Regularity audit of the use of funding assigned to this service area (15 days)	To commence q4
Environmental Services: Street Lighting	An audit of the street light replacement programme and associated costs (20)	Field work completed and review points being cleared prior to issue of report
Environmental Services – Grant Claims	Certification of grant claims as required: strategic timber; bus operators, regeneration schemes as appropriate. (20)	Bus service operators grant completed for six months, more complex with new regulations for low carbon buses claim submitted to external audit and certified
Environmental Services - Public Transport Unit	Audit of the school transport contractual arrangements. (20)	To commence q4
Environmental Services - School Catering	Review of costs incurred in the provision of the service(20)	Fieldwork completed and report being drafted

Environmental Services - Housing and Property - Repairs to Council Housing and Buildings	Audit of works allocation, completion and inspection across response planned and capital programme repairs (20)	Fieldwork completed. File been reviewed by senior auditor and with audit manager for review
Corporate Services - HR - Absence Management	Audit of the arrangements for monitoring and managing staff absence within the authority (20)	Data gathered and initial interviews conducted field work continuing
Corporate Services - ICT - Hardware Asset Management	Review of systems and practices to record / monitor the location and use of ICT hardware (20)	To commence q4
Corporate Services – Licensing	Review of collection and accounting for licensing fees(15)	Completed report issued for service comment, timely processing of applications evident, full report to next meeting.
Environmental Services - Housing and Property - Stores	A review of the effectiveness of current arrangements for accounting for materials used in the repair and maintenance of council housing (20)	Likely to be deferred to year end.
Education and Social Care - PPP Schools	Monitoring arrangements for the operation of the facilities contracts at schools funded under the public private partnership arrangement (10)	Field work completed with audit manager for review.
Education and Social Care - Pupil Equity Fund in Schools	Audit of utilisation of Pupil Equity Funds to assess how systems and processes have evolved since inception (15)	This is a follow-up of a prior year audit , scheme maturing, some further testing required to conclude q3
Education and Social Care - Integrated Childcare	Assessment of control over costs of foster care placements (15)	Project assigned at preparation stage
Education and Social Care - School Funds	Overview of annual returns (10)	In hand; last of returns for latest academic year due by the start of November. School fund regulations reviewed to ascertain implications for online /card transactions

Education and Social Care – Secondary Schools	Establishment visits as part of cyclical review (30)	Milne's High visited prior to October holiday; at query stage with report being drafted
<b>Moray Integration Joint Board</b>		
Health and Social Care	Programme of work to provide controls assurances on activities under direction of the IJB. (80)	Work continues as planned of OT stores of equipment and of budget for adaptations of housing council and private sector. Update on LD contracts to schedule.