

TITLE	Business Assurance Plan 2013/14
FOR CONSIDERATION BY	Audit Committee on 6 February 2013
WARD	None specific
STRATEGIC DIRECTOR	Muir Laurie, Director of Business Assurance and Democratic Services

OUTCOME/ BENEFITS TO THE COMMUNITY

The council's Business Assurance (BA) Plan details the Internal Audit (IA) and Investigations activity and seeks to:

- provide all key stakeholders with independent assurance that the risks within the council's fundamental systems and processes are being effectively managed;
- allow the council to demonstrate it is complying with the relevant legislation and applicable professional standards;
- demonstrate the council's commitment to good governance and a zero tolerance approach towards fraud and corruption; and
- set out that BA resources are being properly utilised.

RECOMMENDATION

The Audit Committee is asked to approve the proposed Business Assurance Plan for 2013/14.

SUMMARY OF REPORT

The outcomes from BA work in the proposed plan underpin the Head of IA's Annual Opinion on the overall adequacy and effectiveness of the council's internal control environment. This opinion supports the council's Annual Governance Statement which is a statutory report.

In producing the 2013/14 BA Plan, BA has set out the high-level areas where we expect to utilise our resources. The Chief Executive, Strategic Directors and other Senior Officers will be consulted with regards to the individual reviews that make up each of the high-level categories. We will also consider risk registers (where in place), reports from external inspectorates (e.g. External Audit) and legislative updates as well as exercising our own professional judgment.

Background

BA will retain a quarterly planning cycle behind the high-level plan to ensure that we have the flexibility to respond to the dynamic environment in which the council operates. The planning approach is to prioritise high risk areas of the council's operation. This is balanced by the need to provide assurance over key financial systems that are fundamental to the successful operation of the council.

Analysis of Issues

The key issue for consideration is whether the BA Plan has the appropriate high-level coverage and is focused on the key areas of risk facing the council. The Audit Committee should ensure that there is adequate coverage to provide appropriate assurance. The draft BA Plan has been previously circulated to all Corporate Leadership Team senior officers for consideration; the attached version reflects their comments and suggested changes.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	N/A	Yes	N/A
Next Financial Year (Year 2)	N/A	Yes	N/A
Following Financial Year (Year 3)	N/A	Yes	N/A

Other financial information relevant to the Recommendation/Decision

- Delivery of the BA Plan costs the council significant management time.
- Non-delivery of the BA Plan will result in the council being exposed to the risk of significant financial loss.

Cross-Council Implications

Good governance helps the council achieve its Vision and Strategic Priorities.

Reasons for considering the report in Part 2

Not applicable.

List of Background Papers

- Accounts and Audit Regulations 2006 and 2011.
- Public Sector Internal Audit Standards.
- CIPFA Code of Practice for Internal Audit in Local Government 2006.

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BUSINESS ASSURANCE PLAN 2013/14

Business Assurance Planned Work	Total Days 2013/14
Internal Audit Key Material Financial Systems Work	160
Internal Audit Assurance Work	250
Internal Audit Consultancy & Advisory Work	60
Follow-up of previous Internal Audit recommendations	30
Corporate Investigations	100
Benefits Fraud Investigations Work	350
Proactive Fraud Prevention Work	200
Risk Management Facilitation	40
Annual Governance Statement Facilitation	10
External Days Sold / Contingency	200
Total	1,400

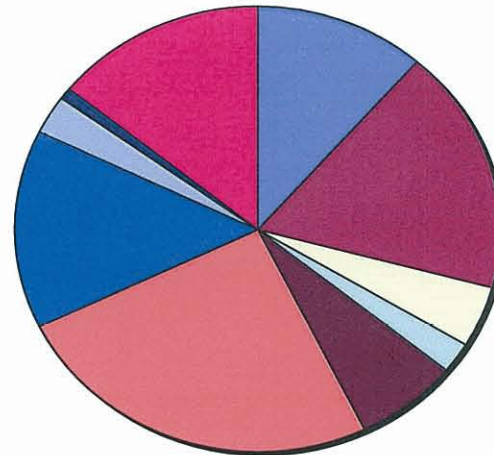
The 2013/14 Business Assurance Plan provides a high-level estimation of where we expect to utilise our resources over the coming year.

Actual time spent on each area will be reported in the regular Business Assurance Progress Reports.

We believe this allocation provides the most overall value to our stakeholders using a risk-based approach to internal control, governance, risk management and fraud.

The relevant Strategic Directors and Senior Managers will be consulted with regards to the individual reviews that make up each of the high-level categories.

Business Assurance Planned Work 2013/14



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