

Appendix A

AUDIT NEEDS ASSESSMENT - Significance score

Ref.	Audit Title	Risk Factors						Risk Value	Consequence Factors				Conseq. Value	Initial Significance Score	Percentage of Risk
		Transactions		Staffing Situation	Nature of Risk	System Complexity	System Stability		Financial Loss	Legal Penalties	Political Sensitivity	Impact on Others			
		Value	Volume												
	<i>Weight</i>	8	6	4	9	6	6	9	8	7	5	208	67%	2.78	
TS2	Housing Benefits	8	8	2	9	8	8	297	7	7	7	8	215	67%	2.87
HR1	Payroll & Establishment	8	8	4	7	8	8	287	7	7	8	8	221	67%	2.95
FS5	Treasury Management	9	5	5	8	7	7	278	9	7	7	7	224	66%	2.99
LT1	Leisure Trust	8	9	5	8	3	7	270	8	8	9	5	224	66%	2.99
TS3	Collection of Income & Reconciliation	9	9	2	7	7	7	281	7	7	7	7	203	62%	2.71
DL3	Land Charges	6	6	7	7	7	8	265	8	8	6	7	213	62%	2.85
DL1	Elections & Electoral Registration	4	9	8	4	6	6	226	6	9	9	7	224	55%	2.99
ESP1	Hackneys and Private Hire	6	8	4	8	8	6	268	4	8	8	6	186	54%	2.49
HRS6	Pearl Contracts	8	4	4	6	6	4	218	8	7	8	8	224	53%	2.99
FS4	Main Accounting System	6	6	5	4	7	3	200	7	8	8	8	223	49%	2.98
OS7	Corporate Health and Safety	4	5	5	7	4	5	199	7	9	5	8	210	46%	2.81
FS3	Insurance-Review	7	5	5	7	7	5	241	8	4	5	5	164	43%	2.19
PR1	Cemeteries	5	5	4	5	5	4	185	7	7	7	7	203	41%	2.71
FS1	Creditors & Purchasing	6	9	6	6	5	2	222	7	4	5	7	165	40%	2.20
TS4	Council Tax	8	8	2	5	4	5	219	7	3	6	6	159	38%	2.12
DL8	Freedom of Information	3	7	7	3	5	2	163	7	8	7	7	211	38%	2.82
HRS5	Homelessness	3	4	5	6	6	3	176	4	7	8	8	188	36%	2.51
PR6	Vehicles, Plant & Salvage	7	7	6	3	5	5	209	6	4	5	7	156	36%	2.08
DL2	Licensing	3	3	6	5	6	6	183	5	6	7	7	177	35%	2.37
FS10	Procurement	7	9	5	4	3	3	202	5	3	7	8	158	35%	2.11
FS6	Client Function	7	9	5	4	5	3	214	5	3	7	6	148	35%	1.98
TS5	NNDR	6	5	2	4	6	5	188	7	3	6	6	159	33%	2.12
CC3	Staff Allowances/Expenses	5	7	3	7	3	3	193	5	5	6	5	152	32%	2.03
PB3	Section 106 Agreements	7	2	7	1	6	9	195	7	2	7	2	138	29%	1.84
PB1	Building Control Fees	4	5	7	2	6	7	186	6	6	1	7	144	29%	1.92
HRS4	Womens Refuge	5	5	8	4	4	4	186	4	5	5	5	136	28%	1.82
HRS2	Property Improvement Grants	5	5	5	6	5	5	204	2	4	6	5	117	26%	1.56
PS4	Land and Property	3	5	2	6	6	3	170	6	3	5	5	138	26%	1.84
PB2	Planning Fees	7	5	7	2	4	4	180	4	3	8	2	126	25%	1.68
DL4	Members & Mayor's Allowances	5	4	6	4	4	4	172	2	4	7	6	129	24%	1.72
PS1	Tendering/Contracts	6	4	2	4	7	3	176	6	2	3	6	121	23%	1.62
ESP3	Parking Enforcement	5	5	4	2	5	6	170	6	3	6	1	125	23%	1.67
IT3	Data Processing & Security	2	7	3	1	2	5	121	5	7	7	5	175	23%	2.34
IT2	Information Security	1	2	2	4	2	2	88	8	8	7	7	220	21%	2.94
CC9	Post - Council/No.1	5	6	3	6	3	3	178	3	2	4	7	106	21%	1.42
OS9	Stock - Waste containers	7	7	3	3	3	2	167	2	2	6	7	111	20%	1.48
IT4	Back-up & Recovery	5	5	3	3	3	2	139	2	2	8	7	125	19%	1.67
OS2	Trade Waste	3	6	2	4	5	6	170	2	1	5	8	101	19%	1.35
ESP2	Engineering Contracts	6	5	7	2	4	3	166	3	3	5	2	96	17%	1.28
HRS3	PSH Enforcement	1	1	8	2	2	6	112	1	7	6	4	127	16%	1.70
EDT 1	Business Support & Grants	5	5	3	4	2	3	148	4	1	5	3	94	15%	1.26
PS5	Markets	2	5	2	6	2	1	126	2	5	4	4	106	15%	1.42
TS1	Sundry Debtors	7	7	4	3	6	4	201	3	1	3	2	66	14%	0.88
HR5	Flexitime System	1	6	1	4	5	5	144	2	1	4	4	74	12%	0.99
HR3	Car Mileage	7	5	1	7	3	3	189	1	1	1	5	49	10%	0.65
EH1	Env Health - Pest Control	3	3	1	2	2	1	82	1	1	5	5	77	7%	1.03
OS5	Fixed Penalty Fines	2	2	2	1	2	2	69	2	2	5	4	89	7%	1.19
OS4	Cleansing Sundry Income	1	2	2	4	2	2	88	1	1	3	4	58	6%	0.78
EDT 2	Town Centres Grants	2	2	1	5	2	1	95	3	1	1	2	52	5%	0.69
EH2	Recharges under P.H Act	2	2	1	1	1	1	53	1	1	5	6	82	5%	1.10
EH5	Immigration Inspections	2	1	1	2	2	2	68	1	1	5	2	62	5%	0.83
PS3	Industrial & Commercial Rents	2	2	2	2	2	2	78	2	1	1	3	48	4%	0.64
CC5	Investigations & Fraud Work							0					0	0%	0.00

Appendix B

AUDIT NEEDS ASSESSMENT - by risk

Ref.	Audit Title	Key Financial System	Days	Significance Score	Seq. No.	Percentage of Total Audits	Percentage of Risk	Percentage of Risk(cum)	Banding	Comments
TS2	Housing Benefits	Y	30	67%	1	1.89	2.78	2.78	1	
HR1	Payroll & Establishment	Y	12	67%	2	3.77	2.87	5.65	1	Increased days from 10-12
FS5	Treasury Management	Y	9	67%	3	5.66	2.95	8.61	1	
LT1	Leisure Trust		12	66%	4	7.55	2.99	11.60	1	Reduced from 15-12 days
TS3	Collection of Income & Reconciliation	Y	10	62%	5	9.43	2.71	14.31	1	
DL3	Land Charges		8	62%	6	11.32	2.85	17.16	1	
DL1	Elections & Electoral Registration		8	55%	7	13.21	2.99	20.15	1	
ESP1	Hackneys and Private Hire		9	54%	8	15.09	2.49	22.64	1	Increased days 8-10, additional checks and safeguarding
HRS6	Pearl Contracts		8	53%	9	16.98	2.99	25.63	1	
FS4	Main Accounting System	Y	10	49%	10	18.87	2.98	28.61	1	
OS7	Corporate Health and Safety		8	46%	11	20.75	2.81	31.42	1	
FS3	Insurance-Review		8	43%	12	22.64	2.19	33.61	1	
PR1	Cemeteries		7	41%	13	24.53	2.71	36.32	1	
FS1	Creditors & Purchasing		13	40%	14	26.42	2.20	38.53	1	Days increased from 10-14, inc Petty Cash/ Car Leasing checks
TS4	Council Tax	Y	13	38%	15	28.30	2.12	40.65	1	
DL8	Freedom of Information		8	38%	16	30.19	2.82	43.47	1	
HRS5	Homelessness		7	36%	17	32.08	2.51	45.98	1	
PR6	Vehicles, Plant & Salvage		10	36%	18	33.96	2.08	48.07	1	Increased days 7-10 to include elements of Salvage and Waste Containers review
DL2	Licensing		9	35%	19	35.85	2.37	50.43	1	Increase days 7-8. Include Env Health Licensing
FS10	Procurement		8	35%	20	37.74	2.11	52.55	1	
FS6	Client Function		9	35%	21	39.62	1.98	54.52	1	
TS5	NNDR	Y	12	33%	22	41.51	2.12	56.65	1	
CC3	Staff Allowances/Expenses		7	32%	23	43.40	2.03	58.68	1	
PB3	Section 106 Agreements		8	29%	24	45.28	1.84	60.52	2	
PB1	Building Control Fees		7	29%	25	47.17	1.92	62.45	2	
HRS4	Womens Refuge		8	28%	26	49.06	1.82	64.27	2	Funding issues 2018-19
HRS2	Property Improvement Grants		9	26%	27	50.94	1.56	65.83	2	
PS4	Land and Property		10	26%	28	52.83	1.84	67.67	2	Includes Asset Management review
PB2	Planning Fees		7	25%	29	54.72	1.68	69.36	2	
DL4	Members & Mayor's Allowances		7	24%	30	56.60	1.72	71.08	2	
PS1	Tendering/Contracts		8	23%	31	58.49	1.62	72.70	2	
ESP3	Parking Enforcement		8	23%	32	60.38	1.67	74.37	2	
IT2	Data Processing & Security		10	23%	33	62.26	2.34	76.71	2	
IT3	Information Security		10	21%	34	64.15	2.94	79.65	2	
CC9	Post - Council/No.1		8	21%	35	66.04	1.42	81.06	2	Increased days 7-8, includes Council Post audit.
OS3	Stock - Waste containers		5	20%	36	67.92	1.48	82.55	3	
IT4	Back-up & Recovery		10	19%	37	69.81	1.67	84.22	3	
OS2	Trade Waste		8	19%	38	71.70	1.35	85.57	3	Include recycling elements
ESP2	Engineering Contracts		7	17%	39	73.58	1.28	86.85	3	
HRS3	PSH Enforcement		7	16%	40	75.47	1.70	88.55	3	
EDT 1	Business Support & Grants		7	15%	41	77.36	1.26	89.80	3	Potential brownfield fund
PS5	Markets		8	15%	42	79.25	1.42	91.22	3	
TS1	Sundry Debtors		12	14%	43	81.13	0.88	92.10	3	Increased days 10-12
HR5	Flexitime System		8	12%	44	83.02	0.99	93.09	3	
HR3	Car Mileage		7	10%	45	84.91	0.65	93.75	3	
EH1	Env Health - Pest Control		7	7%	46	86.79	1.03	94.77	3	New charges coming into force 2018-19
OS5	Fixed Penalty Fines		7	7%	47	88.68	1.19	95.96	3	
OS4	Cleansing Sundry Income		7	6%	48	90.57	0.78	96.74	3	
EDT 2	Town Centres Grants		7	5%	49	92.45	0.69	97.43	3	
EH2	Recharges under P.H Act		7	5%	50	94.34	1.10	98.53	3	
EH5	Immigration Inspections		5	5%	51	96.23	0.83	99.36	3	
PS3	Industrial & Commercial Rents		8	4%	52	98.11	0.64	100.00	3	
CC5	Investigations & Fraud Work		15	0%	53	100.00	0.00	100.00	3	Includes annual review of policies and gifts and hospitality
Total			477	0%	53	100.00	100			

Significant Score Banding

>30% = Band 1

20%-29% = Band 2

<20% = Band 3

Appendix B (i)

AUDIT NEEDS ASSESSMENT - (*Amendments to Audit Universe)

Ref.	Audit Title	Key Financial System	Days	Significance Score	Old Banding	Comments
CC7	Gifts & Hospitality		7	23%	3	Include in Annual reminder re: Financial Policies
CC8	Petty Cash		7	7%	5	Include in Creditors & Purchasing audit
FS7	Asset Management & Salvage Register		8	64%	1	Include in Land & Property review
FS8	Periodic Checks		5	0%	5	Not required, tests incorporated into other reviews
DL5	Printing & Stationery Unit		6	25%	3	Not required, tests incorporated into other reviews
EDT 3	Tourism		7	4%	5	No longer required
EDT 4	Discover Pendle		7	8%	5	No longer required
EH1	Env Health - Licences		5	1%	5	Not required, tests incorporated into other reviews
EH3	Pollution Prevention and Control Permits		7	3%	5	Not required, tests incorporated into other reviews
EPU2	Community Safety/Localities		6	14%	4	No longer required
PR4	Events & Outdoor Recreation		6	16%	4	No longer required
HR4	Car Leasing and Loans		7	6%	5	Not required, tests incorporated into other reviews
PR3	Playing Fields		8	12%	4	No longer required
PS2	Final Account/Reporting to Committee		8	23%	3	Not required, tests incorporated into other reviews
CC9	Post - No. 1 Market Street		7	21%	3	Not required, tests incorporated into other reviews
CG1	Risk Management		10	0%	3	Risk Management embedded across Organisation?
CC10	Customer Complaints system		8	14%	3	Part of a Corporate programme, on IARD
OS3	Recycling		7	16%	3	Included in Trade Waste on advice of SM 28/02/16
CC2	Mobile Phones		7	13%	3	Include in other reviews.
IT1	Disaster Recovery		10	16%	3	Part of other IT reviews
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* No longer specific audit areas following review of the Audit Needs Analysis

Appendix C

Audit Plan 2017-20

Ref.	Audit Title	Key Financial System	Banding	Audit days
Financial Services				
CC5	Investigations & Fraud Work		3	15
FS1	Creditors & Purchasing		1	13
FS3	Insurance-Review		1	8
FS4	Main Accounting System	Y	1	10
FS5	Treasury Management	Y	1	9
FS6	Client Function		1	9
FS10	Procurement		1	8
HRS6	Pearl Contracts		1	8
Democratic & Legal				
DL1	Elections & Electoral Registration		1	8
DL3	Land Charges		1	8
DL4	Members & Mayor's Allowances		2	7
DL8	Freedom of Information		1	8
CC9	Post - Council/No.1		2	8
Housing, Health & Economic Regeneration				
EDT1	Business Support & Grants		3	7
EDT2	Town Centres Grants		3	7
EH1	Env Health - Pest Control		3	7
EH2	Recharges under P.H Act		3	7
EH5	Immigration Inspections		3	5
HRS2	Property Improvement Grants		2	9
HRS3	PSH Enforcement		3	7
HRS4	Womens Refuge		2	8
HRS5	Homelessness		1	7
Neighbourhood Services				
ESP2	Engineering Contracts		3	7
ESP3	Parking Enforcement		2	8
OS5	Fixed Penalty Fines		3	7
Human Resources				
HR1	Payroll & Establishment	Y	1	12
HR3	Car Mileage		3	7
HR5	Flexitime System		3	8
CC3	Staff Allowances/Expenses		1	7
Information Technology				
IT2	Information Security		2	10
IT3	Data Processing & Security		2	10
IT4	Back-up & Recovery		3	10
Pendle Leisure Trust				
LT1	Leisure Trust		1	12
Environmental Services				
OS2	Trade Waste		3	8
OS4	Cleansing Sundry Income		3	7
OS7	Corporate Health and Safety		1	8
OS9	Stock - Waste containers		2	5
PR1	Cemeteries		1	7
PR6	Vehicles, Plant & Salvage		1	10
Planning, Building Control & Licensing				
PB1	Building Control Fees		2	7
PB2	Planning Fees		2	7
PB3	Section 106 Agreements		2	8
DL2	Licensing		1	9
ESP1	Hackneys and Private Hire		1	9
Property Services				
PS1	Tendering/Contracts		2	8
PS3	Industrial & Commercial Rents		3	8
PS4	Land and Property		2	10
PS5	Markets		3	8
Treasury Services				
TS1	Sundry Debtors		3	12
TS2	Housing Benefits	Y	1	30
TS3	Collection of Income & Reconciliation	Y	1	10
TS4	Council Tax	Y	1	13
TS5	NNDR	Y	1	12

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Significance Banding

>30% = Band 1	1
20%-29% = Band 2	2
<20% = Band 3	3

Audit in 2017/18	Audit Depth	Audit Days 2017/18	Audit in 2018/19	Audit Depth	Audit Days 2018/19	Audit in 2019/20	Audit Depth	Audit Days 2019/20
Y	E&T	15	Y	E&T	15	Y	E&T	15
Y	R&T	13	Y	E&T	13	Y	R&T	13
Y	E&T	8	Y	E&T	8	Y	R&T	8
Y	R&T	10	Y	E&T	10	Y	E&T	10
Y	E&T	9	Y	R&T	9	Y	E&T	9
Y	R&T	9	Y	E&T	9	Y	R&T	9
Y	R&T	8	Y	E&T	8	Y	R&T	8
Y	E&T	8	Y	E&T	8	Y	E&T	8
Y	R&T	8	Y	E&T	8	Y	R&T	8
Y	E&T	8	Y	E&T	8	Y	E&T	8
Y	R&T	8	Y	R&T	8	Y	R&T	8
Y	E&T	8	Y	R&T	7	Y	E&T	8
Y	R&T	8	Y	R&T	8	Y	E&T	8
Y	E&T	8	Y	E&T	8	Y	E&T	8
Y	E&T	7	Y	E&T	7	Y	E&T	7
Y	E&T	7	Y	R&T	9	Y	E&T	5
Y	E&T	7	Y	E&T	8	Y	E&T	9
Y	E&T	7	Y	R&T	7	Y	R&T	7
Y	E&T	7	Y	E&T	7	Y	E&T	8
Y	E&T	7	Y	E&T	7	Y	R&T	7
Y	R&T	12	Y	E&T	12	Y	R&T	12
Y	E&T	7	Y	E&T	7	Y	E&T	8
Y	R&T	10	Y	R&T	10	Y	R&T	10
Y	E&T	12	Y	R&T	12	Y	E&T	12
Y	E&T	8	Y	E&T	8	Y	E&T	8
Y	E&T	8	Y	R&T	8	Y	E&T	8
Y	R&T	7	Y	E&T	7	Y	R&T	7
Y	R&T	10	Y	E&T	10	Y	R&T	10
Y	E&T	7	Y	E&T	7	Y	E&T	8
Y	E&T	9	Y	R&T	9	Y	R&T	9
Y	R&T	9	Y	E&T	9	Y	E&T	9
Y	E&T	8	Y	E&T	8	Y	E&T	8
Y	E&T	10	Y	E&T	10	Y	R&T	10
Y	E&T	12	Y	E&T	12	Y	E&T	12
Y	E&T	30	Y	E&T	30	Y	E&T	30
Y	E&T	10	Y	R&T	10	Y	E&T	10
Y	E&T	13	Y	R&T	13	Y	E&T	13
Y	E&T	12	Y	R&T	12	Y	E&T	12
34		328	33		326	34		328

235

35

58

221

39

66

235

50

43

Total Audit Days
Total Audit Resource
(Surplus)/Deficit

328
328
-

326
328
2

328
328
-

Overall Risk Coverage
Audit Coverage

73%
69%

70%
68%

74%
69%

APPENDIX D

Audit Depth and Frequency

- Evaluate** Use of systematic process to identify the risks faced by the auditable area and assess the adequacy of the controls intended to safeguard against those risks.
- Review** High level review and discussion focusing on areas of key risk and any changes in operations or controls at the auditable unit.
- Test** Use of corroborative enquiry and compliance testing to verify the operation and effectiveness of controls noted during the evaluation. Substantive testing will also be undertaken on financial systems to provide evidence as to the completeness, accuracy and effectiveness of the system
- #** Substantive testing, as required by Client.

Significance Band	Frequency
1	3 of 3 years 1. <i>Evaluate & Test</i> 2. <i>Review & Test/Evaluate & Test</i>
2	1 of 3 years 1. <i>Evaluate & Test</i> 2. <i>Review & Test</i>
3	1 of 3 years 1. <i>Evaluate & Test/Review & Test</i> 2. <i>Review & Test/Evaluate & Test</i>

Appendix E

2017-18 Audit Resource

	<u>SENIOR AUDITOR</u>	<u>AUDITOR</u>	<u>TOTAL DAYS</u>
<u>TOTAL AVAILABLE DAYS</u>	261	261	522
<u>LESS:-</u>			
ANNUAL LEAVE ENTITLEMENT	29	29	58
BANK HOLIDAYS	11	11	22
SICKNESS	4	4	8
VACANCIES			
<u>RESOURCE AVAILABLE</u>	<u>217</u>	<u>217</u>	<u>434</u>
<u>LESS:-</u>			
PROFESSIONAL TRAINING	0	0	0
EXAMS & CPD STUDY	6	0	6
JOB TRAINING	5	5	10
	<u>206</u>	<u>212</u>	<u>418</u>
<u>LESS:-</u>			
AUDIT MANAGEMENT NON RECH	40		40
ADMIN.& NON AUDIT DUTIES	15	15	30
<u>DAYS AVAILABLE FOR AUDIT (CHARGEABLE DAYS)</u>	<u>151</u>	<u>197</u>	<u>348</u>
SYSTEMS AUDITS			276
CONTRACT AUDIT			15
COMPUTER AUDIT			10
CORPORATE GOVERNANCE			0
FRAUD/INVESTIGATION WORK			15
VALUE FOR MONEY			0
LEISURE TRUST			12
CONTINGENCIES			20
<u>TOTAL PROGRAMMABLE DAYS</u>			<u>328</u>
<u>TOTAL CHARGEABLE DAYS</u>			<u>348</u>
<u>CHARGEABLE DAYS PER FTE</u>			<u>174</u>