



**Internal Audit Plan
2024/25
Rutland County Council**

Chief Internal Auditor: Rachel Ashley-Caunt CPFA

Internal Audit Plan 2024/25

1. Introduction

- 1.1 This report sets out the proposed work of Internal Audit at Rutland County Council for 2024/25 for review and approval by the Audit & Risk Committee.
- 1.2 Internal Audit provides independent assurance designed to add value and support the Council in achieving its priorities and objectives. To deliver this, Rutland County Council commissions 360 days for delivery of the Internal Audit service on an annual basis.
- 1.3 The provision of assurance services is the primary role for Internal Audit in the public sector. This role requires the Chief Internal Auditor to provide an annual Internal Audit opinion based on an objective assessment of the framework of governance, risk management and control.
- 1.4 Internal Audit also provide consultancy services which are advisory in nature and are generally performed at the specific request of the organisation, with the aim of improving governance, risk management and control and contributing to the overall opinion. Any proposed consultancy/advisory work is clearly specified as such on the Audit Plan.
- 1.5 In setting the annual Audit Plan, the Public Sector Internal Audit Standards require:
- The audit plan should be developed taking into account the organisation's risk management framework and based upon a risk assessment process undertaken with senior management and the Audit & Risk Committee;
 - The audit plan should be reviewed and approved by an effective and engaged Audit & Risk Committee to confirm that the plan addresses their assurance requirements for the year ahead; and
 - The Chief Internal Auditor should consider accepting proposed consulting engagements based on the engagement's potential to improve management of risks, add value and improve the organisation's operations.

2. The Audit Plan

- 2.1 The Audit Plan covers the two key component roles of Internal Audit:
- The provision of an independent and objective opinion to the Section 151 Officer and the Audit & Risk Committee on the degree to which risk management, control and governance support the achievement of Council objectives; and
 - The provision of an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements. Such assignments are marked as 'advisory support' and will not result in an assurance opinion.
- 2.2 Central to the organisation, is the core delivery of the Council's objectives and corporate plan. The risk-based audits are focused upon providing independent assurance over the controls in place to support delivery of those objectives.
- 2.3 In order to protect the Council in delivering these objectives, it is essential that the Council's key corporate controls and policies are operating effectively to prevent the risk of financial loss, failure to comply with legislation, lack of accountability and reputational damage. These controls and policies cover both financial and non-financial systems and processes. These policies and controls must be complied with by all service areas to secure the Council's ongoing stability and service delivery.

2.4 Further protecting and underpinning the Council's ongoing delivery of its objectives are robust counter fraud controls and good governance. Without these, the Council would be exposed to the risk of fraud and corruption (both internally and externally), uninformed or non-transparent decision making, loss of accountability and direction, poor risk management and failure to embed and demonstrate ethical behaviours and values.

2.5 As such, the Audit Plan is designed to deliver independent, objective assurance on each of these areas – which are vital to the successful delivery of the Council's objectives and services.

Value for money

2.6 In addition to assurance over governance, risk management and controls, the Audit Plan should also provide assurance over the Council's delivery of value for money. Assurance over value for money is embedded within each audit assignment.

2.7 Some of the corporate level audits will provide specific assurances in relation to the value for money requirements.

Fraud risks

2.8 In the scoping of every audit assignment, consideration is given to any fraud risks associated with the processes under review. These are specifically considered for any relevant audit coverage.

2.9 In addition, the Internal Audit team also support with pro-active counter fraud work and are available to provide ad-hoc advice and assistance should any concerns be raised. The Council's whistleblowing policy provides Internal Audit as a point of contact for raising concerns and, should any investigation work be required, the team includes officers with the skillset and experience to deliver fact finding investigation work.

3. Planning process

2.10 In order to ensure that the Audit Plan for 2024/25 addresses the Council's key risks and adds value, the Chief Internal Auditor has identified and prioritised the areas for coverage by:

- Reviewing the Council's Risk Registers and Corporate Plan;
- Considering the sources of assurance listed against each of the Council's risk entries, which may reduce the added value of an Internal Audit review and where work could be aligned with other assurance providers;
- Horizon scanning for changes in legislation/regulations and emerging risks for the year ahead;
- Identifying any areas of the Audit Universe (a list of potential areas for audit review across the Council) which have not been subject to Internal Audit review during the last four years;
- Considering latest performance reporting for areas of underperformance;
- Paper on the planning process for 2024/25 to Audit & Risk Committee in December 2023 to consult the Committee on any areas where assurance was specifically sought; and
- Meeting with members of Senior Leadership Team to discuss key risks and emerging risk areas for the year ahead and any areas where Internal Audit support would be beneficial either in an assurance or consultancy role.

- 2.11 The process has also incorporated consideration of potential audits which can be undertaken by drawing upon similar emerging themes from all councils with whom North Northamptonshire Council's Internal Audit team works.
- 2.12 Following this consultation and review, a draft Internal Audit Plan has been compiled and is provided in Table 1.
- 2.13 In order to ensure the Audit Plan addresses the Council's key risks and that the service is able to respond to any in year changes to the organisation's business, risks, operations, programs or systems, it is vital that the content of the Plan be subject to ongoing review throughout the financial year. To enable the service to be responsive and ensure all audit resources are used effectively and add maximum value, it is recommended that arrangements be agreed to allow changes to the Plan to be made between Audit & Risk Committee meetings, involving consultation between the Chief Internal Auditor, the S151 Officer and Chair of the Audit & Risk Committee.

Resources

- 2.14 The audit assignments are delivered by a team of audit staff including a mix of highly regarded professional qualifications (including CIPFA, ACCA and IIA) and extensive experience in the public and private sector. Absences and resource gaps/vacancies can be filled by the wider team, providing the resilience and stability of the delegated service.
- 2.15 Efforts are constantly made to ensure all clients benefit from the delegated arrangement and this work with multiple local authorities. This includes achieving efficiencies in delivering assignments, sharing of knowledge and experience and opportunities to deliver cross-cutting reviews.
- 2.16 Every year, all members of the team complete a declaration form to ensure and maintain independence and objectivity in conducting all assignments. As such, the Chief Internal Auditor can confirm the service's independence. The delegated service model also enables the Chief Internal Auditor to allocate audits to various officers over time, to avoid risks associated with over familiarity.
- 2.17 On an annual basis, the Chief Internal Auditor completes a self-assessment of the Internal Audit service against the Public Sector Internal Audit Standards. In doing so, the Chief Internal Auditor must consider whether the resource base and mix is adequate and would highlight to the S151 officer and Audit & Risk Committee if there were any concerns that the resources in place could not provide the required coverage to inform the annual Assurance Opinion.

Table 1: Draft Internal Audit Plan 2024/25

Assurance Areas	Internal Audit Assignments (including assurance sought)	Risk ref / source	Audit days	Initial timing
Corporate governance and counter fraud	Risk management To provide support on maintenance of the Council's risk registers and quarterly testing on a sample of controls within the registers to inform real time assurances to the committee on the assumptions underpinning the risk scoring.	Internal Audit assurance on risk management	12	Q1-4
	Contract Procedure Rule compliance To provide annual assurance over compliance with the Council's procurement rules across the organisation. To review a sample of procurements for evidence of compliance and strengthening of controls following previous audit recommendations.	SR79	8	Q4
Key corporate controls and policies	Financial Systems <ul style="list-style-type: none"> • Accounts receivable and debt recovery • Main accounting system 	Internal Audit assurance on internal controls	30	Q3/4
	Information governance To provide assurance over compliance with the General Data Protection Regulation (GDPR) requirements and data protection legislation. To follow up on actions from the 2023/24 audit report and include wider testing on data retention.	Resources 04 Internal Audit assurance on internal controls	12	Q3
	Savings and transformation To seek assurances over the Council's delivery against transformation and associated savings plans.	SR73 SR74	16	Q4
	Cyber security – vulnerability management To provide assurance over the Council's preventative and detective controls to manage the risk of cyber attacks – to conduct thematic reviews, starting with vulnerability management.	SR03	12	Q3
Corporate Objective: Protecting the vulnerable	Continuing health care funding (Children's) To provide assurance that appropriate controls are in place to ensure the completeness and accuracy of the invoicing process to clinical commissioning groups (CCGs). To include sample testing of jointly funded care packages and a review of current systems and processes involved in the recharging/invoicing process, to ensure full and timely recovery of monies due.	SR74	15	Q1
	Adult social care data quality To provide assurance over the quality of data being generated and reported in respect of adult social care. This is expected to inform the work of Care Quality Commission inspections.	SR05	12	Q1

Assurance Areas	Internal Audit Assignments (including assurance sought)	Risk ref / source	Audit days	Initial timing
	Children's social care data quality To provide assurance over the quality of data being generated and reported in respect of children's social care.	SR04	12	Q1
	Early years providers – Free Early Education Entitlement (FEEE) compliance To follow up on progress made in relation to actions arising from the 2023/24 audit in this area and support engagement with local providers to ensure consistent compliance with requirements for claims and invoicing. Also in light of changes to funded hours offered during 2024/25.	Follow up	12	Q2
	Service user monies - appointeeships/deputyships Public Authority Deputyship or appointeeship is intended to protect the financial interests of people aged 18 and over who lack the mental capacity to manage their own finances and for whom no valid Lasting Power of Attorney is in place. To provide assurance over the compliance with requirements to safeguard the monies of service users under these schemes, where the Council is the appointee/deputy.	SR05	12	Q2
	Adults – information and advice Under Section 4 of the Care Act the Local Authority must establish, co-ordinate and maintain a service (or services) that provide accessible, up-to-date, accurate, comprehensive but proportionate advice and local information relating to Care and Support for people and Support for carers. To provide assurance over the Council's information and advice services – including how this fits with digital agenda.	Directorate risk	12	Q2
	Ofsted inspection response Full Ofsted reinspection expected - to include days in audit plan to look at any actions arising from this and provide assurances on next steps.	SR04	10	TBC
	Continuing health care funding (Adults) – follow up To follow up on progress made in relation to the 2023/24 audit, which received an opinion of Limited Assurance for the control environment.	SR74	10	Q4
	Adult safeguarding To provide assurance over arrangements for handling safeguarding concerns efficiently and effectively, both in the community and with registered providers.	SR05	15	Q4
Corporate Objective: Vibrant communities	Levelling Up Fund (LUF) To provide assurances over the management of the LUF programme and projects, to deliver against expected benefits and ensure compliance with funding terms.	SR07	20	All year
	Flood authority statutory duties To provide assurances over the Council's compliance with its statutory duties as a flood authority.	Directorate risk	12	Q3
Corporate Objective: Delivering	Local plan development project To provide assurance over the delivery of the Local Plan project, including compliance with Regulation 18 of the Town and Country Planning (Local Planning) Regulations 2012.	SR07	12	TBC

Assurance Areas	Internal Audit Assignments (including assurance sought)	Risk ref / source	Audit days	Initial timing
sustainable development	Carbon Net Zero To provide assurance over the Council's arrangements to support Carbon Net Zero. To include assurances over the implementation of the Biodiversity Net Gain requirements.	Corporate objectives	11	Q4
	Highways maintenance contract To provide assurance over the management of the new highways maintenance contract including assurance over payments, delivery against expected standards and	SR79	12	Q4
Corporate Objective: Customer focussed services	Registration services To provide assurance over the financial control environment and certificate stock management. An area that has not been subject to internal audit coverage in recent years.	Internal Audit assurance on internal controls / fraud risks	12	Q3
Other Assurances	Grant claim verification Changing Lives, Pot Hole Grant, Bus Service Operator Grant etc.	Grant requirements	15	As req'd

Table 2: Reserve list 2024/25

Risk area	Comments and action if not covered in 2024/25
Recruitment and retention of Children's services workforce	High risk but potentially less value to be added from audit work than other areas proposed above. To consider in audit planning for 2025/26.
Asset transformation	To consider in audit planning for 2025/26.
Communities and Prevention Service	To consider in audit planning for 2025/26.
Financial Management Code	To consider in audit planning for 2025/26.
Corporate health and safety	To consider in audit planning for 2025/26.
Council tax reduction scheme	To consider in audit planning for 2025/26. Area subject to internal review in 2024/25.