

AUDIT AND RISK COMMITTEE

23 February 2021

INTERNAL AUDIT PLANNING 2021/22

Report of the Head of Internal Audit

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor Gordon Brown – Portfolio Holder for Internal Audit	
Contact Officer(s):	Rachel Ashley-Caunt, Head of Internal Audit	Tel: 07824 537900 rashley-caunt@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS

1. That Members note the initial areas highlighted for potential coverage in the Internal Audit Plan 2021/22 and advise on any areas which the committee would prioritise for coverage in the plan.
2. That Members approve delegation to the Strategic Director for Resources, in consultation with the Chair of the Audit and Risk Committee, to approve an interim 2021/22 Internal Audit plan ahead of formal approval by committee in April 2021.

1 PURPOSE OF THE REPORT

- 1.1 To advise Members on progress being made on developing the Internal Audit Plan for 2021/22 and some initial areas proposed for inclusion in the Plan, subject to risk assessing and prioritisation.

2 BACKGROUND AND MAIN CONSIDERATIONS

2.1 Internal Audit Plan

- 2.2 The Internal Audit Plan sets out the assignments that will be delivered by the Internal Audit team during the financial year. In accordance with the Public Sector Internal Audit Standards (PSIAS), the Audit Plan should be risk based and developed with input from senior management and the Audit Committee.

2.3 In December 2020 the Committee approved the proposed approach to Audit Plan development and were consulted on areas for consideration.

2.4 In the process to date, a number of potential audit assignments have been identified and will be prioritised and refined based on risk and added value. A list of areas highlighted during the planning process to date has been provided in Appendix A.

2.5 **The impact of Covid-19**

2.6 Covid-19 has impacted on the work of Internal Audit during 20/21 and it is likely that it will continue to impact in 21/22. Inevitably, there may be:

- New risks emerging which require emergency assurance;
- Changes to the audit plan arising from operational access issues (where resources are diverted to the pandemic) or where planned work is deferred affecting the timing of audit activity;
- Demands to provide anti-fraud work or grant assurance.

2.5 The draft Audit Plan will be presented to the Audit and Risk Committee in April 2021 for final refinement and formal approval. The Plan will then remain open to ongoing review and amendment throughout the financial year to respond to any changes in risk and emerging issues as outlined in 2.6 above. To enable the Internal Audit team to commence work on the audit assignments on 1st April 2021, it is recommended that a delegation be given to the Council's Strategic Director and the Chair of the Audit and Risk Committee to approve an interim audit plan pending formal approval at the April meeting.

3 **CONSULTATION**

3.1 The Council's senior management are being consulted on the contents of the Audit Plan for 2021/22 and this report provides an opportunity for consultation with the Audit and Risk Committee. No public consultation is required.

4 **ALTERNATIVE OPTIONS**

4.1 The Committee could contact the Head of Internal Audit directly following the meeting with any further areas of assurance which may arise before March 2021 and these can be included in the audit planning process.

5 **FINANCIAL IMPLICATIONS**

5.1 There are no financial implications arising from this report. The Audit Plan will be based upon the number of days commissioned by the Council on an annual basis.

6 **LEGAL AND GOVERNANCE CONSIDERATIONS**

6.1 The Audit and Risk Committee is responsible for oversight of the work of Internal Audit including approving the annual Audit Plan and satisfying itself that the plan provides assurance over the Council's control framework and key risks. It is also responsible for gaining assurance that internal audit is complying with internal audit standards.

6.2 There are no legal implications arising from this report.

7 EQUALITY IMPACT ASSESSMENT

7.1 There are no equality implications.

8 COMMUNITY SAFETY IMPLICATIONS

8.1 There are no community safety implications.

9 HEALTH AND WELLBEING IMPLICATIONS

9.1 There are no health and wellbeing implications.

10 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

10.1 The Audit Plan for 2021/22 is being developed using a risk based approach, with input from senior management and the Audit and Risk Committee. The initial potential areas for coverage highlighted during the audit planning process to date will be refined and prioritised based on risk and value added. The draft Audit Plan will be presented to the Committee in April 2021 for final refinement and formal approval. The Plan will remain open to ongoing to review and amendment throughout the financial year to reflect and respond to changes in risks and emerging issues.

11 BACKGROUND PAPERS

11.1 There are no additional background papers to the report.

12 APPENDICES

12.1 Appendix A: Initial areas identified during Audit Planning 2021/22 to date

Large Print or Braille Version of this Report is available upon request – Contact 01572 722577

APPENDIX A

Internal Audit Plan 2021/22 – Initial Areas Highlighted

Topic	Assurance provided
Corporate / Cross Cutting	
Key Financial Systems	Annual testing on key financial controls (Debtors, Creditors, Payroll, Main Accounting, Local Taxation, Benefits). It is intended that a cyclical approach will be adopted to this audit coverage.
Grant verification	To sign off on various annual grants including highways expenditure and troubled families.
Contract Procedure Rules compliance	To provide assurance over compliance with rules in relation to procurement of goods and services. This is an annual review to provide assurance over value for money and counter fraud and corruption controls.
Covid 19 recovery	To provide assurance over actions the Council is taking to move to business as usual and the project management supporting this.
Risk management	To provide assurance over the Council's risk management framework and effective embedding of risk management across the organisation. Usually subject to audit on a three yearly basis, which is due in 2021/22.
Ethics and equalities	To provide assurance over the Council's compliance with best practice in embedding ethical governance and equalities across the organisation - Including compliance with the Public Sector Equality Duty, Gender Pay Gap reporting and the Accessible Information Standard.
Counter Fraud	
Fraud Risk Register	To provide assurance over the management of the fraud risk register, including the identification and management of risks, and to review a sample of the risks identified to confirm that appropriate actions are being taken to mitigate risks and pro-actively prevent, detect and report attempted frauds.
Grant fraud support	Potential ongoing advice/support on business grants and post payment checks.
Service Specific	
Waste contract procurement	To provide assurances over the procurement of the Council's waste contract during the financial year – engaging at key stages, as appropriate.

Topic	Assurance provided
Schools thematic review	To provide assurance over compliance with key controls in relation to a specific area – such as safeguarding, health and safety, data protection. Theme to be determined with senior management and independent/academy schools to be invited to participate.
Payments to early years providers	To provide assurance that claims for payment from providers of nursery places are accurate and legitimate; the Council's arrangements to meet those obligations are fit for purpose; and to test the accuracy and legitimacy of claims received from a sample of providers.
Integrated LD (Learning Disability) and ASD (Autistic Spectrum Disorders) Lifetime Offer	To provide assurance over the processes and procedures in place to support transitions and integration between children's and adults' services, including joint working with health services. To review the processes supporting this for effectiveness and consistency. Request from senior management on this area of focus for integrated working. No recent audit coverage on transitions.
Care assessments	To provide assurance over the assessment process in adults and children's social care. Some controls have been revised to better streamline processes and assurance would be sought that this is resulting in maximising of efficiencies whilst maintaining a proportionate control environment.
Housing offer to young people and care leavers	To provide assurance over processes to support the joint housing protocol. To include assessment of local arrangements against the October 2020 guidance issued by DCLG.
Development management	To provide assurance over the effective delivery of development management services – including the speed and quality of decision making and compliance with regulatory requirements. It is noted that there has been an increase in complaints received.
Planning income	Many councils have noted a reduction in their planning income during the last twelve months. An audit would seek assurance that monies are being recovered in line with procedures and chargeable activity, including pre-application fees.
Health and safety	To provide assurance that the Council, as an employer, is operating in accordance with health and safety regulations and legislative requirements.
IT	
IT Asset management	To provide assurances over the effective management and recording of hardware issued to staff and Members, particularly following the issuing of high number of assets to facilitate home working in 2020.
Cyber security	To provide assurance over the Council's preventative and detective controls to prevent data loss, service disruption and

Topic	Assurance provided
	potential financial costs associated with a cyber-attack. Key risk with no audit coverage in last two years.