

## AUDIT AND RISK COMMITTEE

1 February 2022

### INTERNAL AUDIT PLANNING 2022/23

Report of the Head of Internal Audit

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr K Payne, Portfolio Holder for Finance, Governance and Performance, Change and Transformation	
Contact Officer(s):	Rachel Ashley-Caunt, Head of Internal Audit	Tel: 07824 537900
Ward Councillors	N/A	

#### DECISION RECOMMENDATIONS

That the Committee:

1. Notes the initial areas highlighted for potential coverage in the Internal Audit Plan 2022/23 and advise on any areas which the committee would prioritise for coverage.
2. Approves delegation to the Strategic Director of Resources, in consultation with the Chair of the Audit and Risk Committee, to approve an interim 2022/23 Internal Audit plan pending approval by the Committee in April 2022.
3. Notes that the Audit Plan is flexible and will be kept under review to ensure it remains focused on key areas.

#### 1 PURPOSE OF THE REPORT

- 1.1 To advise Members on progress being made in developing the Internal Audit Plan for 2022/23 and some initial areas proposed for inclusion in the Plan, subject to risk assessment and prioritisation.

#### 2 BACKGROUND AND MAIN CONSIDERATIONS

##### 2.1 Internal Audit Plan

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.

2.2 In December 2021 the Committee was initially consulted on areas for consideration.

2.3 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 draft Audit Plan will be presented to the Audit and Risk Committee in April 2022 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. To enable the Internal Audit team to commence work on the audit assignments on 1<sup>st</sup> April 2022, 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 2022/23 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 2022 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 2022/23 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 2022 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 2022/23 to date

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

## Appendix A. Internal Audit Plan 2022/23 – Initial Areas Highlighted

Topic	Assurance provided
<b>Corporate / Cross Cutting</b>	
Key Financial Systems	Annual testing on key financial controls (Debtors, Creditors, Payroll, Main Accounting, Local Taxation, Benefits). A cyclical approach will be adopted to this audit coverage.
Treasury Management	To provide assurance over the Council's compliance with the Treasury Management strategy and procedures.
Grant verification	To sign off on various annual grants including highways expenditure, homelessness prevention 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.
Performance management	To provide assurance over the accuracy and effectiveness of performance reporting and management across the Council, in supporting delivery of corporate priorities and objectives.
Covid-19 grant monies	To provide assurance over use of grant monies received to support response and recovery phases.
Risk management – facilitation / real time assurance	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.
<b>Counter Fraud</b>	
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.
<b>Service Specific</b>	
Taxi licensing	To provide assurance over the consistent compliance with key controls in the awarding of taxi/private hire licenses – including safeguarding and right to work checks on drivers and operators.
Waste contract procurement (consultancy support)	To engage with this key procurement process and provide ongoing, independent, real time audit support during 2022/23.

Topic	Assurance provided
Street works co-ordination	To provide assurance over the effective co-ordination of works and recovery of monies due in relation to Traffic Regulation Orders. There is an intention to move to a permit scheme and an audit of current processes may assist in informing planning for this.
Home to School Transport	To provide assurance over the commissioning of home to school transport provision in order to maximise value for money, whilst also ensuring due diligence in relation to safeguarding checks and controls.
Highways maintenance contract	To follow up on effective embedding of improved controls, following implementation of audit recommendations from 2016/17 audit work. To provide assurance that this contract is being managed robustly.
Reactive Highways Maintenance	To provide assurance over the processes followed for commissioning of reactive repairs and maintenance of Highways assets and controls in place to ensure value for money and consistent prioritisation.
Highways Transport Working Group	To provide assurance over the effectiveness of this working group and efficiency of associated processes for handling community requests for measures/improvements, following a full year since implementation and in light of current backlogs. This may include some comparison with processes adopted at other local authorities.
Grounds maintenance	To provide assurance over the effective management of this service to ensure performance standards and value for money. It is noted that this service is due to be re-procured and, as such, timing of work would need to be suitably co-ordinated in order to deliver value.
Children's services development planning	Assurance to be sought over the governance of the service development, including any actions arising from the focused Ofsted inspection activity in January 2022. To provide assurance that any matters arising and areas to strengthen in relation to safeguarding children are being suitably addressed and overseen.
Schools thematic review	To provide assurance over compliance with key controls in relation to a specific area – suggested as Safer Recruitment for 2022/23. Local independent/academy schools will be invited to participate for a small fee, to cover costs.
Care assessments	To provide assurance over the assessment process in adults 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.

<b>Topic</b>	<b>Assurance provided</b>
Adult Social Care reforms	To provide pro-active support and assurance over the design phase for implementation of the care cap and charging regimes arising from the reforms.
Social care debt recovery	To provide assurance over the handling of social care debts owed to the Council to ensure effective and timely recovery of these monies, in line with approved policy.
Corporate Parenting	To provide assurance over the understanding, and effective discharging, of corporate parent principles and responsibilities for children looked after by the Council (as set out in section 1 of the Children and Social Work Act 2017).
Special Educational Needs and Disabilities (SEND)	To provide assurance over the processes for handling referrals for Education, Health and Care Plans.
Children missing from care reporting	To provide assurance over mechanisms for recording and tracking children missing from care.
Equalities, diversity and inclusion	To provide assurance over the Council's arrangements for supporting and delivering upon strategies and policies for equalities, diversity and inclusion.
Readiness for CQC inspections regimes in Adult Social Care	To provide real time assurances over the Council's readiness and preparation for the new inspection regimes, expected to be implemented from April 2023. To include a review of infrastructure and preparation in relation to data extraction and analysis.
My Care services	To review the processes applied and resilience of these services (including enablement, urgent response and 'safety net' services) and inform service development in this area.
<b>IT</b>	
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.