



**Internal Audit Plan
2023/24
Rutland County Council**

Chief Internal Auditor: Rachel Ashley-Caunt CPFA

Internal Audit Plan 2023/24

1. Introduction

- 1.1 This report sets out the proposed work of Internal Audit at Rutland County Council for 2023/24 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 – the audit of procurement compliance, for example, will seek assurance over the effective procurement of supplies and services.

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 2023/24 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 under performance;
- Paper on the planning process for 2023/24 to Audit & Risk Committee in December 2022 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 2023/24

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	18	Q1-4
	Ethical governance (advisory support): To support the Monitoring Officer in embedding ethical governance arrangements, including support with training/review of policies/awareness campaigns.	Internal Audit assurance on governance	10	As req'd
	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"> • Creditors • Payroll • Local taxation 	Internal Audit assurance on internal controls	45	Q3/4
	Information governance: To provide assurance over compliance with the General Data Protection Regulation (GDPR) requirements and data protection legislation. To focus upon the key areas of secure data handling/ processing; responding to data breaches; and data retention/disposal.	Resources 04	15	Q2
	Cyber security: To provide independent assurance over delivery of the cyber security action plan and the control environment in place to support the prevention and detection of cyber attacks on the Council's network.	SR03	15	
	Budgetary control: To provide assurance over the Council's budget monitoring arrangements, including delivery of savings plans.	SR74	10	Q3

Assurance Areas	Internal Audit Assignments (including assurance sought)	Risk ref / source	Audit days	Initial timing
Other Assurances	Grant claim verification - Changing Lives, Pot Hole Grant, Bus Service Operator Grant etc.	Grant requirements	17	As req'd
Corporate Objective:	Quality assurance in Children's Social Care and Early Years: Looking at quality assurance processes and how the service learns from these. Linking to any specific, related findings from the latest Ofsted review.	SR05	12	Q1
Protecting the vulnerable	Early years providers: Assurances over the Council's processes and procedures for ensuring early years providers are invoicing appropriately and transparently; and that claims for two and three year old funding are accurate and compliant with provider agreements/terms.	N/A	15	Q2
	Continuing health care funding: 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.	SR05	15	Q3
	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	Q2
	Fostering: To provide assurance over the controls operating in this area under the independent fostering panel, and evidence of strengthened controls since 2017 audit.	SR04	12	Q3
	Adult safeguarding: To provide assurance over arrangements for handling safeguarding concerns efficiently and effectively, both in the community and with registered providers. Seeking assurance on the embedding / promotion of safeguarding awareness, including links with Adult Safeguarding Board and health services.	SR05	12	Q1
Corporate Objective: Vibrant communities	Private sector housing enforcement: To provide assurance over compliance with enforcement policies and latest regulations in relation to private sector housing – including latest Housing Health and Safety Rating System requirements for damp and mould.	SR73	12	Q3
	Special educational needs and disabilities (SEND): To provide assurances over the delivery of SEND services in light of the Green Paper and any regulator feedback.	SR76	12	Q4
Corporate Objective: Delivering sustainable development	Local plan development: 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	15	TBC
	Highways maintenance contract procurement: To provide assurance over the procurement of the new contract for highways maintenance. This is a key contract for the Council and one of its highest value areas of	SR79	12	Q3

Assurance Areas	Internal Audit Assignments (including assurance sought)	Risk ref / source	Audit days	Initial timing
	spend.			
Corporate Objective: Customer focussed services	Transformation (advisory support): To engage with the Council's Transformation programme and provide ad hoc advisory work on targeted areas where processes/controls are being reviewed and amended, with the intention of giving assurance that the Council is not being exposed to wider risks.	SR73 SR74	15	Q1 – Q4
	Commissioning of leisure services: To provide assurance over processes followed to inform decision making on leisure provision. To include assurance over processes for assessing need / public consultation; conducting a full and compliant procurement process; and providing for suitably informed options appraisals.	Management request	12	Q1
Support to Rutland County Council	Including support and reporting to Audit & Standards Committee, management support and engagement, ad-hoc advice and assistance, annual Internal Audit report, follow ups on audit recommendations and partnership working with external auditors.		35	
Management & development of Internal Audit	Development and management of Internal Audit service in line with the Public Sector Internal Audit Standards, including annual standards assessment, continuous improvement, internal audit charter and manual, management, training and development of the team and performance reporting.		31	
Total days			360	