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| Classification | Item No. |
| Open | |

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| Meeting: | Audit Committee |
| Meeting date: | 25 th July 2022 |
| Title of report: | Internal Audit Plan 2022/23 |
| Report by: | Executive Director of Finance (S151 Officer) |
| Decision Type: | Council |
| Ward(s) to which report relates | All |

Executive Summary:

This report sets out the context of the Internal Audit Service and explains the approach to the compilation of the 2022/23 internal audit annual plan. The annual plan is incorporated at Annex 1 to the report.

Recommendation(s)

That:

- Members note the contents of the report
- Members approve the annual audit plan for 2022/23

Key Considerations

Background information to this report is contained in the main report.

Community impact/ Contribution to the Bury 2030 Strategy

Ensuring compliance with Financial Procedures and Policies

Equality Impact and considerations:

24. *Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:*

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

25. *The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.*

Assessment of Risk:

The following risks apply to the decision:

| Risk / opportunity | Mitigation |
|---|--|
| Risks are highlighted in Audit Plans and in the terms of reference for each Audit review. | Internal Controls are reviewed in each audit to mitigate identified risks. Actions are reported to managers and progress is monitored and reported on a regular basis. |

Consultation:

N/a

Legal Implications:

The Council must have a sound system of internal control which facilitates the effective exercise of its functions, including risk management. This is both a legal requirement and a requirement of the Financial Regulations set out in the Council's Constitution. This report provides information on the proposed work of the Council's Internal Audit Service, in ensuring compliance.

Financial Implications:

There are no financial implications arising from this report. The work of the Internal Audit Service supports the governance framework.

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Background papers:

Internal Audit Plan 2021/22

Please include a glossary of terms, abbreviations and acronyms used in this report.

| Term | Meaning |
|------|---|
| QAIP | Quality Assurance and Improvement Programme |
| FOI | Freedom of Information |
| SAR | Subject Access Request |
| NNDR | National Non Domestic Rates |
| GDPR | General Data Protection Regulations |

Internal Audit Plan

2022/23

“Providing assurance on the management of risks”

Internal Audit Plan 2022/2023

“Providing assurance on the management of risks”

This document sets out the Internal Audit Plan 2022/2023 for Bury Council. These services are provided by the Internal Audit Service of Corporate Core - Finance Directorate. This document complements the Audit Charter and the Council's Risk Management Framework. In accordance with current best practice the role of the Audit Committee is to review and approve the internal audit plan.

The Role of Internal Audit

All organisations face risks in every aspect of their work: policy making, decision taking, action and implementation, regulation and spending, and making the most of their opportunities. The different types of risk are varied and commonly include financial risks, IT risks, supply chain failure, physical risks to people, and damage to the organisation's reputation. The key to the Council's success is to manage these risks effectively.

The Council has a statutory responsibility to have in place arrangements for managing risks; The Accounts and Audit Regulations 2015 state that a local authority is responsible for ensuring that its financial and operational management is effective and that it has a sound system of internal control which facilitates the effective exercise of its functions and includes arrangements for the management of risk. The Regulations require accounting systems to include measures to ensure that risk is appropriately managed.



The requirement for an internal audit function is also contained in the Regulations which require the Authority to:

“Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

The Council has delegated its responsibilities for internal audit to the Executive Director of Finance (S151 Officer).

Definition of Internal Auditing

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

The key word in the definition is assurance, the role of audit is not to identify or investigate alleged irregularities, it is to provide assurance to the organisation (the Chief Executive, Executive Directors, Directors and the Audit Committee) and ultimately the taxpayers that the authority maintains an effective control environment that enables it to manage its significant business risks. The assurance work culminates in an annual opinion on the adequacy of the Authority’s governance, control and risk management processes which feeds into the Annual Governance Statement.

Different parts and levels of an organisation play different roles in managing risk, and the interplay between them determines how effective the organisation as a whole is in dealing with risk. The Institute of Internal Auditors uses a “three lines of defence” model to explain internal audit’s unique role in providing assurance about the controls in place to manage risk:

Figure 1: Three lines of defence model

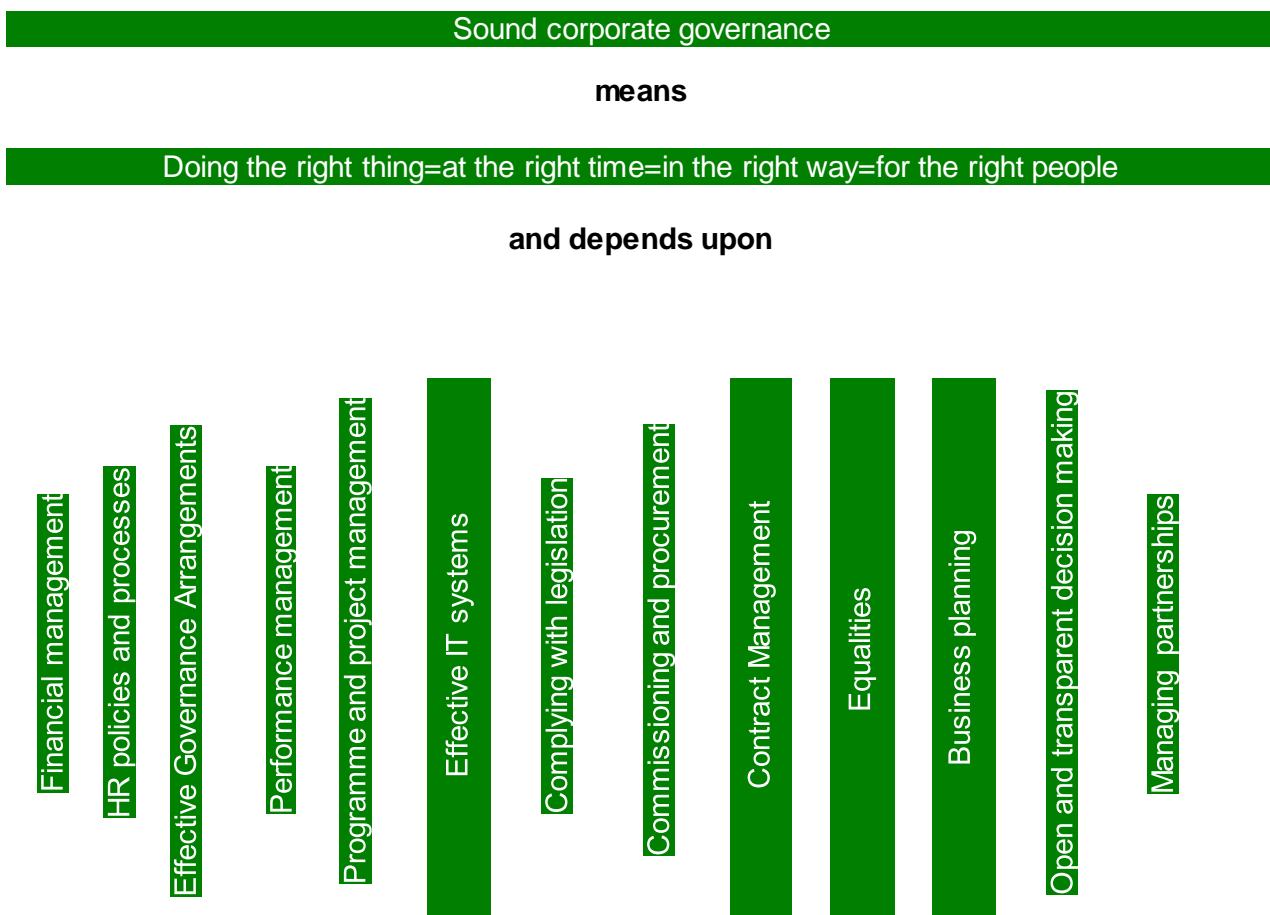


The management of risks is the responsibility of every manager. Sitting outside the processes of the first two lines of defence, audit’s main roles are to ensure that the first two lines of defence are operating effectively and advise how they could be improved.

We develop and then deliver a programme of internal audits to provide independent reasonable assurance to senior management and members that significant risks are being addressed. To do this, we will evaluate the quality of risk management processes, systems of financial and management control and governance processes and report this directly and independently to the most senior level of management. In accordance with regulatory requirements most individual assurance assignments are undertaken using the risk based systems audit approach and are not usually designed to identify potential frauds.

The focus of our work continues to be primarily key corporate processes although the 2022/23 audit plan is being developed to also have a focus on high level risks and change processes. Audits of this nature are a more effective use of limited resources and are key to providing the appropriate assurance to the Council that its overall governance, control and risk management arrangements remain effective.

Figure 2: Key corporate processes



We give an opinion on how much assurance systems give that significant risks are addressed. We use four categories of opinion: Full, Substantial, Moderate and Limited assurance.

A report, incorporating an agreed action plan, will be issued for every audit.

The results of audits are also reported to the Council's Audit Committee. To assist managers in prioritising areas for improvement, recommendations are classified as: Fundamental, Significant and Merits Attention.

Vision, purpose and values

A professional, independent and objective internal audit service is one of the key elements of good governance in local government.

As a modern effective risk and assurance service we aim to:

- Act as a catalyst for improvement and provide insight on governance, control and risk management;
- Influence and promote the ethics, behaviour and standards of the organisation;
- Develop a risk aware culture that enables customers to make informed decisions;
- Be forward looking; and
- Continually improve the quality of our services.

A key driver of this strategy is the need to meet all our customers' needs, which in the context of the Council are the Audit Committee, Chief Executive, Executive Directors and Directors.

The Council will continue to be affected by a variety of local and national issues:

- Funding pressures faced by local government;
- Increased growth in partnerships and collaborations, for example with health, other parts of the public sector and the private sector;
- Ever increasing use of technology to deliver services;
- Flexible working arrangements to make more effective use of accommodation;
- The introduction of new ways for customers and the public to access services;
- Pressure to reduce the cost of administrative / support functions while improving quality / effectiveness;
- Responding to organisational changes and development
- Supporting our residents and local business to recover from the impacts of COVID 19 and the emerging challenges that this is posing both internally and externally to Council services and the local economy.
- The national cost of living crisis and the potential for an economic recession.

These, and other developments, will mean increased pressure on the service to review existing systems and provide advice on new and complex initiatives. There is also the challenge of working in a post COVID 19 world and reviewing what and how we perform our duties and remain effective. We must add value and help deliver innovations in service delivery. To respond to the demands on us we will:

- Continue to develop our staff to ensure we are fully equipped to respond to our customer's demands;
- Continue to invest in modern technology to improve efficiency and effectiveness;
- Add value and make best use of our resources by focussing on key risks facing our customers;
- Increasingly work in partnership with clients to improve controls and performance generally;
- Continue to buy in specialist help when required– particularly in IT.
- Review our processes and implement improvements where we can; and
- Ensure our learning and development remains current and reflects best practice.

Services

In addition to undertaking audits the Service is developing to support the organisation by also providing the following services:

Consultancy

The Council will face major changes in culture, systems and procedures over the coming years and we are able to provide advice on the governance, control and risk implications of these changes. The service will act as a critical friend. Particular emphasis is put on project governance and process design.

We are seeking to develop our knowledge and understanding of the management of risk so we are able to **challenge** current practice, **champion** best practice and be a **catalyst** for improvement, so that the Council as a whole achieves its strategic objectives.

So, for example, when a major new project is being undertaken we can help to ensure that project risks are clearly identified and that controls are put in place to manage them. Where possible this has been reflected in our audit plan for the coming year.

It is more constructive for us to advise on design of processes during the currency of a change project rather than identify problems after the event when often it is too late to make a difference and it is possible to use less resource to identify key points than in a standard audit - timely advice adds more value than untimely. Discussion have been held with Directorate Management teams to identify key projects.

Challenge

Champion

**Catalyst for
improvement**

Irregularities

As a publicly funded organisation the Council must be able to demonstrate the proper use of public funds. It is the responsibility of every manager to have systems in place to prevent and detect irregularities. However, if an irregularity is identified or suspected

managers are required to notify the Service and will need professional support to investigate the matter.

All significant investigations, which potentially have a significant financial impact, will be undertaken by the Internal Audit Service but more minor matters will be referred back to the relevant manager to progress with support from the audit team. The decision on which cases will be investigated will be made by the Acting Head of Internal Audit

Counter fraud

Although responsibility for operating sound controls and detecting fraud is the responsibility of management, the Service has a key supporting role. In particular, we are responsible for maintaining and publicising the Council's anti-fraud policy, maintaining records of all frauds and, as a deterrent, publicising proven frauds.

The Service also coordinates the Council's participation in the National Fraud Initiative. Relevant managers are best placed and hence are responsible for investigating matches identified by the NFI but we do maintain an overview of progress.

A separate counter fraud team is also in place within the Council. This team focuses on preventing fraud from entering the Council and undertakes investigations relating to application fraud (e.g. Housing Benefits, Council Tax, Direct Payments, Blue badges).

Plan 2022/2023

To ensure the best use of limited audit resources audit work needs to be carefully planned. We have sought to align our work with the Council's risk base this year, by liaising with senior management and taking into account:

- the overall environment in which the Council has to operate
- its aims, strategies, key objectives, associated risks
- risk management processes, and

Our plan also takes into account those topics which have not recently been audited or which feature in the corporate risk register or which when last audited received a low opinion. We are reviewing our training and development plan to ensure that auditors have access to various professional networking meetings which highlight the wider issues affecting public sector internal audit which need to be reflected in the programme of work.

General context and key themes

The outlook for Local Government remains demanding. The impact of COVID-19 together with other pressures on the national economy, and uncertainty around long term government policy present significant challenges to the Council. Loss of income,

uncertainty around future funding and increasing pressures in demand-led services are also concerns.

As previously agreed, the Council's budget meeting in February 2022, confirmed the use of reserves totalling £14.355m to support the 2022/23 financial position. Following the settlement which gave local authorities additional none recurrent funding this created a projected none recurrent surplus for 2022/23 of £4.384m. Cabinet approved that £1.388m should be transferred to a business rates reserve and the balance, £2.996m be transferred to a smoothing reserve, to replenish reserves and smooth the expected financial gap in 2023/24.

During 201/22 all public sector partners across Bury continued to work together to support Bury residents during the pandemic. Further progress has been made in the integration with NHS Bury CCG and the operation of the pooled and aligned funds and joint commissioning and governance arrangements at scale. There continued to be significant changes to personnel at senior levels in the organisation and the transformation programme will continue in earnest in 2022/23. The transformation includes an anticipated restructure to the Finance Department, with a strengthening, by increasing capacity, of the Internal Audit Team. The Council is therefore part way through a period of major transformational change in the midst of unprecedented economic uncertainty and challenge and, as a result, the Council's risk profile has changed in the period since the last plan was agreed. In a climate of significant change and uncertainty it is important that core governance, risk management and financial control arrangements are robust and consistently being followed across the organisation. A key focus of the plan for 2022/23 is therefore to provide assurance on these core processes.

Our primary customers remain the Chief Executive, Executive Directors, Directors and the Audit Committee but we will take into account the views of other managers when refining the scope of audits and will accommodate them as long as requests do not divert us from addressing the core scope as agreed with the Audit Committee.

Further significant changes in processes and policies are likely during the coming year and internal audit will need to support this work and provide advice on the governance, risk management and control implications of the changes. Whilst providing advice is good practice and an effective use of resources sufficient audits are required across the Council's risk profile in order to deliver the annual "Head of Audit" opinion.

Given the limitations on audit resources there is an increasing need for more reliance to be placed by the Council on second line of defence functions (such as Finance, HR and Procurement) and potentially audit will increasingly need to provide assurance on the effectiveness of those functions especially as budget constraints will inevitably also impact on them and hence on the overall assurance framework. The plan therefore includes more of an emphasis on such functions. We will avoid undertaking roles that are properly the responsibility of the first or second line of defence – these managers need to have sound controls and monitoring systems in place rather than relying on periodic internal audits to provide them with



assurance. Assurance that these management functions are being properly discharged will be tested as part of the audit work.

In general we plan not to do any individual schools audits instead focusing on the arrangements the Council has in place to identify as early as possible, and subsequently support, schools causing concern / in difficulty. Where a potential and significant financial irregularity is suspected at a school we will investigate but we will not investigate minor suspected irregularities and will expect schools to resolve these albeit with some support from audit as well as other support functions from across the council including finance and school advisers. Similarly, there is little value that an audit can add where the Council already knows of issues at a particular school.

The detailed plan

Based upon discussions with senior managers and our professional judgement an estimated number of days have been allocated to each potential topic. Demonstrating the assurances planned on each strategic risk and being transparent about auditable topics that cannot be audited are key requirements of internal audit professional standards and we therefore adopt a top down approach with the plan being driven by key risks.

The outline plan in Annex 1 shows those topics that we are planning to audit. This will be further developed as we aim to develop the audit universe for the Council. An update on this will be provided during the year. The plan takes into account the resources available within the audit service, risk and other assurance frameworks that exist from which the council can gain assurance.

As in previous years the plan covers one year which is accepted best professional practice. As we strive to improve our service indicative timings of audits have been reflected in the plan. This not only provides a focus for the service in ensuring we are able to monitor and track progress against our plans but enables services to work with us so that audits are not timed at peak time, or in the case of projects, before some of the key activity has taken place. Timings are subject to review during the year e.g. when risks change or a specific project becomes a matter of priority or a significant fraud has to be investigated.

In addition to the assurance and advisory work listed provision has also been made in our work plan to:

- Undertake investigations,
- Provide advice on a consultancy basis to Directorates;
- Deliver an internal audit service to Six Town Housing and Persona.
- Complete outstanding 2021/22 audits, and
- To undertake development work for the internal audit section, including assurance mapping of Directorates to feed the audit plan for 2022/23.

Quality Assurance and Improvement Programme

The Public Sector Internal Audit Standards (PSIAS) require the Acting Head of Internal Audit to develop and maintain a Quality Assurance and Improvement Programme (QAIP) covering all aspects of the internal audit activity.

The QAIP includes internal assessments, periodic self-assessments and external assessments and is not only designed to assess the efficiency and effectiveness of Internal Audits, but also to enable an evaluation of the internal audit activity's conformance with the definition of internal auditing and the PSIAS and an evaluation of whether internal auditors apply the Code of Ethics. We have an Audit Manual based on accepted professional practice which as well as being compliant with PSIAS builds quality into every stage of the audit process. An external review of the Internal Audit Section was undertaken in 2020/21. Some key areas of improvement were identified and these have been addressed and other recommendation made continue to be addressed. This work includes a revision of the QAIP for the service which will be undertaken and provided to Audit Committee, later in the financial year.

The Internal Audit Service is due to be assessed by peer colleagues in January 2021, to ensure that the service complies with PSIAS (Public Sector Internal Audit Standards) . There are plans in place to undertake a self-assessment before this review takes place.

Annex 1 Planned Work 2022/23

| CORPORATE GOVERNANCE AND RISK | | | | | | |
|-------------------------------|---|--|--|-----------------|-----------------|--|
| Directorate | Topic | Potential Control / Governance Issue | Proposed Audit Coverage | Indicative Days | Proposed Timing | Comments |
| Corporate Core | Risk Management and Assurance Framework | Failure to identify major risks that may prevent the Council from achieving one or more of its objectives. Failure to ensure that the major risks are being managed. | Review of risk management arrangements at corporate level – review of the Council's risk management strategy and arrangements for the maintenance of risk registers. Review the associated information management system and reporting arrangements. | 15 | QTR4 | Brought forward from 2021/22. To be completed once the finance restructuring is recruited to which sees strength added in this area. |
| Corporate Core | Complaints Procedures | Failure to comply with Council policy and regulations, potential for reputational damage should a complaint be taken to the Ombudsman. | Review of system for receiving and dealing with complaints. | 15 | QTR2 | 2021/22 undertook a review in Childrens Services following request from Management. Included in 2022/23 to do a further review in another service area. |
| Corporate Core | FOI /Subject access | Failure to comply with Council policy and regulations, potential for reputational damage should a complaint be taken to the Ombudsman. | Review of system for receiving and dealing with FOI / SAR requests. Specific request to focus testing on Childrens' Services. | 15 | QTR3 | Brought forward from 2021/22 |

| Directorate | Topic | Potential Control / Governance Issue | Proposed Audit Coverage | Indicative Days | Proposed Timing | Comments |
|--------------------|--|---|---|-----------------|-----------------|---|
| Six Town Housing | Procurement of Contractors and Delivery of Capital Programme Schemes | Failure to comply with contract procedure rules, and failure to have adequate systems in place, could result in financial loss and additionally in reputational damage should complaints / allegations be received. | Follow up review to ensure recommendations from a previous internal audit have been addressed and to review arrangements in relation to the control of materials / stocks which was an issue raised in an external review commissioned by the Council in 2021/22. | 20 | QTR1 | |
| Childrens Services | Recruitment Process | Failure to undertake robust pre-employment checks (right to work in the UK etc.) which may result in reputational damage or financial penalties. | Review of recruitment process – including assurance over the design and operation of the recruitment process including: 1 completeness and timeliness of pre-employment checks 2 completeness, accuracy and timeliness of adding new employees to the payroll 3 monitoring by HR of compliance with pre- | 15 | QTR4 | 2021/22 included a proposal for Corporate review - however Childrens Services asked for a piece of work and this has not yet been undertaken. Therefore brought budget forward from 2021/22 and propose to use this budget for the review requested by Childrens Services and defer Corporate Core review until 23/24 |

| | | | employment and recruitment processes 4 an appropriate division of duties is enforced by the system. | | | |
|-------------|-------------------|--|--|-----------------|-----------------|------------------------------|
| Directorate | Topic | Potential Control / Governance Issue | Proposed Audit Coverage | Indicative Days | Proposed Timing | Comments |
| Operations | Health and Safety | Potential damage to health / wellbeing or loss of life which may result in claims, reputational damage, litigation or corporate manslaughter | Review of Health and Safety arrangements within Operational Services, including the identification of services provided, the risk assessments in place action to address any remedial action identified. | 15 | QTR3 | Brought forward from 2021/22 |

| SERVICE REFORM (Core Financial Systems) | | | | | | |
|---|--------------------------------|--|---|-----------------|-----------------|----------|
| Directorate | Topic | Potential Control / Governance Issue | Proposed Audit Coverage | Indicative Days | Proposed Timing | Comments |
| Corporate Finance | Finance Systems - key controls | Errors and omissions resulting in weaknesses in the integrity of financial data and statements | Routine annual review of high-level controls within the key finance systems, retrospective review looking at transactions in 2021/22, to support closure of accounts process. Council Tax NNDR Housing Benefits Treasury Management Payroll Creditors Main Accounting Debtors Cash Collection and Banking. | 80 | QTR 1 | |

| Directorate | Topic | Potential Control / Governance Issue | Proposed Audit Coverage | Indicative Days | Proposed Timing | Comments |
|-------------------|--|---|---|-----------------|-----------------|--|
| Corporate Finance | Budgetary Control | Failure to identify budget variances promptly and take corrective action. | Routine review of the council's approach to budget development, monitoring/ forecasting and taking action to address significant variances. | 15 | QTR4 | |
| Corporate Finance | National Fraud Initiative | Statutory requirements are not complied with | Manage and co-ordinate the NFI including additional checks on data matches where appropriate. | 15 | QTR3 and QTR 4 | Ongoing exercise, New datasets to be uploaded to Cabinet Office – October 2022, results expected end of January, which will then need examining. |
| Corporate Finance | I-Trent - Payroll – Additional hours / overtime payments | Failure to respond effectively and efficiently to any major incident. | Review arrangements to manage and process timekeeping and overtime effectively as the self-serve module is introduced in i-trent. Cover all directorates, and report to each Executive Director with results of findings. | 15 | QTR2 | Brought forward from 2021/22. Suggest choose one directorate – 15 days is too narrow to look at all directorates |

| SERVICE REFORM (Grants and Verification) | | | | | | |
|--|------------------------|--|---|-----------------|-----------------|---|
| Directorate | Topic | Potential Control / Governance Issue | Proposed Audit Coverage | Indicative Days | Proposed Timing | Comments |
| Corporate Finance | Grant Claims | Failure to comply with grant arrangements. | <p>Certification of those grant claims required to be certified by the Council's head of internal audit.</p> <p>Anticipated during 2022/23: - Public Sector Decarbonisation Scheme Bus Operator Grant</p> | 15 | QTR 1 to QTR 4 | Grant reviews undertaken in year One known grant expected, however additional provision made for any other grant work which may be required. |
| Children and Young People | Dedicated School Grant | The Council may fail to address the recommendations made by the DFE, and DSG recovery may not be achieved. | Review work being undertaken to ensure that recommendations identified during the Safety Valve project are being addressed and DSG recovery is being achieved. | 20 | QTR3 / 4 | |

| Directorate | Topic | Potential Control / Governance Issue | Proposed Audit Coverage | Indicative Days | Proposed Timing | Comments |
|--|------------------------------|--|---|-----------------|-----------------|----------|
| Communities and Wellbeing / One Commissioning Organisation | GM Supporting Families (TFG) | Failure to comply with grant requirements and failure to deliver programme objectives. | Routine annual review. GMCA have been granted devolved powers over the programme and are collaborating to develop a more traditional / risk-based approach to the annual assurance work. Reviews to be undertaken once / twice a year as directed by GMCA and the devolution agreement. | 10 | QTR2/3 | |

| PLACE AND PEOPLE | | | | | | |
|------------------|--------|--|--|-----------------|-----------------|---|
| Directorate | Topic | Potential Control / Governance Issue | Proposed Audit Coverage | Indicative Days | Proposed Timing | Comments |
| Corporate Core | CCTV | Failure to adhere to the agreement and follow the CCTV Code of Practice could impact on the Council's reputation and reliance placed on the CCTV function in supporting other agencies and community safety. | Annual review as required by CCTV agreement. | 5 | QTR1 | Brought forward to 2022/23 – PN has confirmed that requires the review. |
| Operations | Stores | Weaknesses in the control of assets and stock may result in losses / increased costs. | Review the arrangements to manage the assets held at the Stores based at Bradley Fold depot. | 15 | QTR3 | |

| Children and Young People | Independent Foster Agency | Inability to place "looked after children" with suitable families or promptly as the need arises. | Review of the use of IFA's, including the controls in place to help ensure cost effectiveness and manage quality and quantity of placements. | 20 | QTR4 | Brought forward from 2021/22. There is also additional capacity to the foster team as part of the Childrens and Young People Restructure to increase the number of Bury foster carers. |
|---------------------------|---------------------------|--|--|-----------------|-----------------|--|
| Directorate | Topic | Potential Control / Governance Issue | Proposed Audit Coverage | Indicative Days | Proposed Timing | Comments |
| Children and Young People | Care Packages | Failure to comply with Council policy and legislation when procuring goods / services / administering contracts with suppliers. Best value may not be achieved, and high-cost care packages may not be challenged. | A review of the process for the calculation and award of care packages for vulnerable children, and the billing and payment processes around care processes to provide assurance that financial risks are mitigated. Review arrangements in place for ongoing reviews of care packages to ensure they are still appropriate and consider the financial controls in particular authorisation for changes to rates and providers. Determine if any | 15 | QTR3 | Brought forward from 2021/22 |

| | | | benchmarking processes are in place and review. | | | |
|--|------------------------------|---|--|-----------------|-----------------|------------------------------|
| Directorate | Topic | Potential Control / Governance Issue | Proposed Audit Coverage | Indicative Days | Proposed Timing | Comments |
| Children and Young People | School and College Transport | Children with special educational needs may be excluded from Education as they may not have any available transport / support to enable them to be able to travel to and from school. | Review the management and contractual arrangements over SEN transport to ensure outcomes for service users are achieved and risks to the service users and the Council are mitigated. | 15 | QTR3 | Brought forward from 2021/22 |
| Communities and Wellbeing / One Commissioning Organisation | Home care packages | Failure to comply with Council policy and legislation when procuring goods / services / administering contracts with suppliers. Best value | A review of the process for the calculation and award of care packages for vulnerable adults, and the billing and payment processes around homecare processes to provide assurance that financial risks are mitigated. | 15 | QTR3 | Brought forward from 2021/22 |

| | | may not be achieved, and high-cost care packages may not be challenged. | Review arrangements in place for ongoing reviews of care packages to ensure they are still appropriate and consider the financial controls in particular authorisation for changes to rates and providers. Determine if any benchmarking processes are in place and review. | | | |
|-------------|--------------------|--|---|-----------------|-----------------|------------------------------|
| Directorate | Topic | Potential Control / Governance Issue | Proposed Audit Coverage | Indicative Days | Proposed Timing | Comments |
| Operations | Fleet Management | Vehicles and plant may be mis-used / mis-appropriated | Review to assess the security of the vehicle and plant equipment and the arrangements in place to ensure that all items can be accounted for. | 10 | QTR3 | Brought forward from 2021/22 |
| Operations | Car Parking Income | Income due may not be collected, effecting cash flow of the Council. Additionally, errors and omissions resulting in | Review the processes in place to ensure that income due to the service is collected in line with any agreements in place, and that the income is collected | 15 | QTR3 | Brought forward from 2021/22 |

| | | weaknesses in the integrity of financial data and statements | and posted to the accounts promptly. | | | |
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| Directorate | Topic | Potential Control / Governance Issue | Proposed Audit Coverage | Indicative Days | Proposed Timing | Comments |
| Operations | Climate Change | Due to the Global increase in energy prices there will be significant increases in gas and electricity costs for 2022/23. | Review processes in place for the monitoring and targeted reduction of energy costs, including energy audits, building conditions surveys, and rationalisation of the estate | 15 | QTR 4 | |

| CONTRACTS | | | | | | |
|-------------------|------------------------------------|---|---|-----------------|-----------------|------------------------------|
| Directorate | Topic | Potential Control / Governance Issue | Proposed Audit Coverage | Indicative Days | Proposed Timing | Comments |
| Corporate Finance | STH Client Management arrangements | Failure to implement the clauses in place in the management agreement could provide a risk of financial loss to the Council in addition to reputational damage. | A new agreement has been implemented and a review is required to ensure that the terms of the agreement are being adhered to. | 15 | QTR3 | Brought forward from 2021/22 |
| Corporate Finance | Persona | Failure to implement the clauses in place in the management agreement could provide a risk of financial loss to the Council in addition to reputational damage. | A new agreement has been implemented and a review is required to ensure that the terms of the agreement are being adhered to. | 15 | QTR3 | Brought forward from 2021/22 |

| Directorate | Topic | Potential Control / Governance Issue | Proposed Audit Coverage | Indicative Days | Proposed Timing | Comments |
|------------------------------------|-----------------------|---|---|-----------------|-----------------|------------------------------------|
| Business Growth and Infrastructure | Regeneration Projects | Failure to comply with Council policy and legislation | Identify regeneration projects that have / are taking place. Review a project to ensure that best practice was followed, considering project initiation, procurement of works, ongoing monitoring, and administration of payments, record keeping and post project implementation review. | 15 | QTR3 | Audit brought forward from 2021/22 |
| SUPPORT / SYSTEMS IMPLEMENTATION | | | | | | |
| Directorate | Topic | Potential Control / Governance Issue | Proposed Audit Coverage | Indicative Days | Proposed Timing | Comments |

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|--------------------------|---------|--|---|-----|-----|---|
| Corporate Core – Finance | I-Trent | Failure to adequately secure systems could result in a data breach, loss of service / downtime and loss of data. | Provision to support system implementation. | 5 | TBA | Advice to be given as and when requested. |
| | | | TOTAL | 440 | | |

| OTHER COMMITMENTS | | |
|---|------------------------|--|
| <i>Activity</i> | <i>Indicative Days</i> | <i>Comments</i> |
| Completion of audits commenced during 2021/22: Regeneration Projects Estates Property Management Choices for Living Well (Killelea) Petty Cash Childrens Services -Complaints Residential Placements Leisure Income Highways Maintenance | 38 | Indicative days increased from last year as were underestimated. |

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| Audit work for Six Town Housing and Persona (separate audit plans) | 71 | STH only – plan reduced from 75 to 36 to bring in line with SLA. 35 days planned for Persona |
| Post Implementation Reviews and Action Tracking | 30 | Following up limited assurance reviews in more depth – so need to increase provision to allow for additional testing. |
| Contingency for GMCA Collaboration / reactive GM assurance work | 5 | |
| Contingency for Investigations and supporting the council’s counter fraud strategy, including revision of whistleblowing policy. | 50 | Provision increased as was too low last year. |
| Contingency for reactive or unplanned work, management request, consultancy work | 30 | |
| Audit Service Management and administration, including service development, assurance mapping, Quality Assurance and Improvement Programme (QAIP), anti-fraud and corruption strategy, audit planning and Committee’s support | 196 | |
| Provisions for annual leave / training / sickness | 310 | Increased from 2021.22 Have lost a member of staff, however, another Member of staff now undertaking CPFA training. |
| Provision of ICT review – by Salford Computer Audit Services (System Licencing) | 20 | |
| Total: | 750 | |

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|----------------------------|------------|-------------------|
| | | |
| Combined Total: | 1190 | |
| Audit days to be delivered | 684 | (Exclude 196+310) |