Annex 1 Internal Audit Plan 2023/24

Updated to show position at end of June 2023

CORPORATE GOVERNANCE AND RISK						
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
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	QTR 1	Roll forward from 22/23 Engagement process taking place.
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	QTR 2	Roll forward from 22/23

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Corporate Core	ROPA	Failure to comply with Council policy and regulations, potential for reputational damage should the Council fail an ICO inspection.	Review of the processes in place to ensure that the Register of Processing Activities is collated and maintained up to date.	10	QTR 4	Risk Register
Corporate Core	Health and Safety	Potential damage to health / wellbeing or loss of life which may result in claims, reputational damage, litigation or corporate manslaughter / Failure to comply with Council policy and regulations, potential for reputational damage should the Council fail a HSE inspection	Review of Health and Safety at Corporate level - CPFA matrix Review processes in place for the recording and reporting of Health and Safety incidents	20	QTR 2	Previous audit - Limited Assurance

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	QTR 4	Originally planned as a roll forward from 22/23, however HSE enquiries ongoing so allocation to be used for follow up of implementation of recommendation from HSE review.

Financial / HR Systems						
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Corporate Core - 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 2022/23, to support closure of accounts process: Council Tax NNDR Housing Benefits Treasury Management Payroll Creditors Main Accounting Debtors Cash Collection and Banking	88	QTR 1 to 4	Annual work required to support statement of accounts Ongoing reviews:- • Debtors • Council Tax • Housing Benefits

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Corporate Core - 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	QTR2	Roll forward from 22/23
Corporate Core - 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	Ongoing through-out the year	Annual work. Ongoing
Corporate Core - Finance	NNDR	Failure to collect NNDR promptly, and failure to apply Business Rates Relief accurately.	Systems review of the processes in place for the billing and collection of National Non-Domestic Rates, including the application of Business Rates Relief	15	QTR 2	Audit knowledge
Corporate Core – Finance	Insurance	Failure to process insurance claims promptly	Review the process in place for the administration of Insurance claims	15	QTR 2	Request from client

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Corporate Core - Finance	Capital Programme	Failure to meet corporate objectives and ineffective use of resources	Evaluate the governance, processes and controls, supporting key capital projects and ensure compliance with procurement rules and regulations	15	QTR 3	Risk Register
Corporate Finance/HR.	iTrent - 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 iTrent. Cover all directorates, and report to each Executive Director with results of findings.	15	QTR 1	2022/23 looked at Operations, select another department for review.
Corporate Finance / HR	iTrent – Expenses Module	Inaccurate / fraudulent claims for expenses may be made.	Review the processes in place for the submission, authorisation and payment of employee's expenses.	15	QTR 4	Request from client

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Corporate Finance/HR	Automated Absence Pay	Absence not identified and inaccurate calculations of absence pay	Review the processes in place for the calculation of absence pay	15	QTR 3	Request from client
Children's 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-employment and recruitment processes 4. an appropriate division of duties is enforced by the system.	15	QTR 3	Roll forward from 22/23

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Operations	Procurement of Contractors	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.	Review of processes in place for the selection of contractors, the award of works and subsequent payments.	15	QTR 2	Request from client

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.	Certification of those grant claims required to be certified by the Council's Head of Internal Audit. Anticipated during 2023/24: Public Sector Decarbonisation Scheme Bus Operator Grant Pothole Grant Universal Drug Treatment Grant	15	QTR 1 to QTR 4	. Annual work
Children and Young People	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	QTR3/4 (in line with GMCA)	Annual work for GMCA

SERVICE AREAS						
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	QTR 2	. Annual review

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Corporate Core	Members Delegated Funds	Loss of accountability, lack of corporate ownership of decision making and possible failure to deliver the expected level of services to residents.	Routine review to focus on the transparency add compliance of the arrangements in place for administration of payments to Members.	5	QTR 4	Previous audit – limited assurance
Corporate Core – Finance	Cash handling and banking activities	Cash is not handled in a secure manner. Inappropriate reimbursements of expenditure are made.	Review of the processes for reimbursement of petty cash claims, and for the handling of cash and associated banking activities within the Business Support Unit.	15	QTR 3	Request from client
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	QTR 2	Transport Stores undertaken in 2022/23, look at Building Stores in 2023/24 Auditor knowledge

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
BGI	Estates Property Management	Inaccurate information may be held in the financial accounts and income due may not be collected	Review the management arrangements over the rental estates portfolio to ensure that adequate records are maintained, income due is collected promptly and valuations are regularly undertaken and updated in the Councils accounts.	15	QTR 4	Previous audit – Limited Assurance
BGI	Rent collection from Commercial Tenants	Failure to achieve objectives due to inappropriate or ineffective use of fund	Evaluate the processes and controls over the management of commercial and investment properties to ensure an appropriate return is being generated from the assets and properly accounted for.	15	QTR 1	Risk Register
Operations	Waste Management	Inadequate arrangements in place for the provision of waste services.	Review the management and contractual arrangements in place for the delivery of the Waste Management Service.	15	QTR 4	Request from Monitoring Officer

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Children and Young People	Independent Foster Agency (IFA)	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.	15	QTR 2	Roll forward from 22/23
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 the 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	Roll forward from 22/23

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
		benchmarking processes are in place and review.				
Children and Young People	Schools	Appropriate financial and operational control is not maintained over school funds.	Provision for undertaking reviews at schools.	45	QTR 1 to QTR 4	Request from client. Programme to be determined, suggest that look at schools forecasting a deficit outturn for the financial year. One review undertaken at request of Childrens Services – Chesham Primary School. Draft report issued to client.
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 or other 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. Ensure VFM is received by planning routes and consider the make use of shared transport.	15	QTR 2	Roll forward from 22/23

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
One Commissioning Organisation	Integrated Community Equipment Stores	Weaknesses in the control of assets and stock may result in losses / increased costs.	Review the arrangements to manage the assets (equipment) and stock of care equipment.	15	QTR 2	Previous audit – Limited Assurance
One Commissioning Organisation	Substance Misuse Commissioning	Inappropriate procurement processes in place. Contract procedure rules and legislation not followed. Value for money not obtained.	Review the arrangements in place for the procurement of goods / services related to the prevention of Substance Misuse.	15	QTR 2	Request from client
Operations	Fleet Management	Vehicles and plant equipment may not be maintained appropriately and may also be mis–used / mis-appropriated	Review to assess the maintenance and security of the vehicle and plant equipment and the arrangements in place to ensure that all items can be accounted for.	15	QTR 1	Roll forward from 22/23

Ongoing |

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Operations	Car Parking Income	Income due may not be collected, affecting cash flow of the Council. Additionally, errors and omissions resulting in weaknesses in the integrity of financial data and statements	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 and posted to the accounts promptly.	15	QTR 1	Roll forward from 22/23 Background research being undertaken. Preparing for the engagement process
Operations	Highways - Potholes	Failure to meet corporate objectives and ineffective use of resources	Evaluate the governance and controls over the use of funds provided to improve highways across the Borough.	15	QTR 3	Request from Monitoring Officer
Operations	Climate Change	Due to the Global increase in energy prices, there will be significant increases in gas and electricity costs for 2023/24.	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 2	Roll forward from 22/23

CONTRACTS						
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	QTR 3	Roll forward from 22/23

SUPPORT / SYSTEMS IMPLEMENTATION						
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Comments
Corporate Core – Finance	iTrent	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	Ongoing through the year	Annual Provision - Advice to be given as and when requested.
			TOTAL	623		

OTHER COMMITMENTS		
Activity	**Indicative Days**	**Comments**
Completion of audits commenced in previous years: **2021/22** **Housing Development Programme** **Highways Maintenance** **2022/23** **Home Care** **Care Planning Permissions** **Six Town Housing Invoice Processing**	35	Draft report issued Complete - Final report issued to Members Draft report issued Background research being undertaken, preparing for the engagement process Draft report being prepared
Audit work for Six Town Housing (STH) and Persona (separate audit plans)	56	STH 36 – separate plan agreed with Six Town Housing Audit Committee – 3 audit reviews • Right to Buy • Procurement • Housing Rents Key Controls 2023/24 Also, complete two reviews outstanding from 2022/23 • Invoice Processing • Arrears Prevention and undertake 6 follow up exercises to reports issued in 2022/23.

		Provision for Persona 20 – plan now agreed with Persona:- • High level key control checks of payroll, debtors and creditors. • Review of Property – Leasing and Building Maintenance. • Also, act as a critical friend to support Persona as they review their own processes of Supported Living.
Post Implementation Reviews and Action Tracking	35	Following up limited assurance reviews in more depth – so increased provision from 22/23 to allow for additional testing. Follow ups completed quarter 1:- • Petty cash – Choices for Living Well • Leisure Centres Income review • Taxi Licencing • CCTV • Adoption Services • STH Fire Safety • Pooled budgets
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.	60	Provision increased from 22/23
Contingency for reactive or unplanned work, management request, consultancy work	64	
Audit Service Management and administration, including service development, assurance mapping, Quality Assurance and Improvement Programme, Internal Audit Charter and Strategy, (QAIP), anti-fraud and corruption strategy, audit planning and Committee's support	155	Quarter 1 • Audit server cleansed • Audit working paper package reviewed • Audit timesheet monitoring reviewed and updated to enable easier monitoring of individual projects • Developing a recommendation tracker using excel • Commenced review of Anti-fraud and corruption strategy
Provisions for annual leave / training / sickness	284	Increased from 2021.22 – to reflect appointments to vacant posts
Provision of ICT review – by Salford Computer Audit Services (System Licencing)	20	Two reviews planned – to be undertaken September 2023 • IT Asset Management • Software Licensing
Total:	714	
Combined Total:	1337	

Audit days to be delivered	**898**	(Exclude 155+284)