

Internal Audit Plan 2023-24 (Q1 – Q2)

Gravesham Borough Council

I. Introduction

The Internal Audit & Counter Fraud Shared Service was established on 1 March 2016 to provide internal audit, counter fraud and investigation services to Medway Council and Gravesham Borough Council.

Section 151 of the Local Government Act 1972 and Regulation Six of the Accounts & Audit Regulations 2015 set out the requirement for Local Authorities to have an Internal Audit function. The Public Sector Internal Audit Standards (the Standards) define Internal Audit as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. The Standards require that: the chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals.

The Internal Audit Plan is supported by the Charter which sets out the team's purpose, authority and responsibilities, and the team's Strategy which sets out the key objectives for the development of the team.

II. Preparation of the Internal Audit Plan

The plan has been prepared in line with the requirements of the Standards and is based on a risk assessment to ensure our resources are directed to the highest areas of risk. This assessment includes;

- Review of the council's priorities as set out in the Council Plan 2019-2023,
- Review of the council's key risks as set out in the Corporate Risk Register,
- Review of the council's financial plans and budgets,
- Review of service plans and service risk registers,
- Horizon scanning to identify local and national issues and risks,
- The results of previous internal audit work (including follow up work) and other sources of assurance to the council,
- Identification and risk assessment of those activities key to the delivery of the council's priorities and the management of its identified risks, and,
- Consultation with senior management to validate this assessment of the council's risks.

The risk assessment is used, along with input from senior management and knowledge of the wider control environment, to help ensure that our resources are directed to the areas where they are considered to be of most effective use to the council in helping to ensure the achievement of its objectives, the improvement of internal control and the efficiency of service delivery.

Where the work of other assurance providers is known to the Head of Internal Audit & Counter Fraud, the team will seek to review and place reliance on that work to avoid duplication of effort and improve assurance coverage.

III. Resourcing

The Internal Audit Plan will be delivered using the in-house resources within the Shared Service, a total of 8.43FTE comprising of 0.65FTE Head of Internal Audit & Counter Fraud, 1FTE Internal Audit Manager, 1FTE Senior Internal Auditor, 4.78FTE Internal Auditors (0.22FTE Currently vacant) and 1FTE Internal Audit Apprentice. All available chargeable days for the Internal Auditors/Senior Internal Auditor are allocated on the plan; while resources spent on strategic leadership and management provided by the Head of Internal Audit & Counter Fraud and the Internal Audit Manager are not.

The results of the risk assessment dictate the amount of assurance work required to deliver an opinion on the effectiveness of the overall control environment of the council. This assessment is based on:

- The professional experience of the Head of Internal Audit & Counter Fraud,
- The risk maturity of the council and the effectiveness of its risk management arrangements, and,
- The proportion of items identified through the risk assessment considered to be of high risk.

The total chargeable Internal Audit resource available for 2023-24 for Gravesham is 400 days; of this, 365 days have been allocated to assurance work. This, along with a further 45 days for management of internal audit activity, is considered sufficient to provide assurance over enough of the council's activities identified through the risk assessment, for the Head of Internal Audit & Counter Fraud to deliver an opinion on the effectiveness of the overall control environment of the council.

The skills and experience of the in-house team have been considered in preparing this plan and all work planned is considered to be within the capability of the in-house team. The Internal Auditor assigned to each activity on the plan is selected by the Internal Audit & Counter Fraud Management Team based on their skills, knowledge, experience, discipline, and any declared conflicts of interest to ensure all work is conducted effectively. If an activity planned was found to require specialist skills/experience beyond that of the team, arrangements would be put into place to secure the services of an external contractor.

The Internal Audit Plan contributes to the council's overall assurance framework and as such, where possible information will be shared, and activities coordinated with other internal and external providers of assurance to the council.

IV. 2023-24 Internal Audit Plan (Q1-Q2)

The Plan is intended to provide a clear picture of how the council will use the Internal Audit team within the shared service; including assurance work focusing on the council's corporate risks, with links to the corporate risk register noted in the plan, and consultancy services as defined in the Internal Audit Charter.

The plan reflects all work to be carried out by the Internal Audit Team for Gravesham during the first six months of the financial year and focuses on the highest areas of risk first to ensure these areas are addressed, while also ensuring adequate coverage across council service areas.

In planning the number of reviews that can be undertaken with the available resource, each review has been assigned an indicative budget of 15 days, but the final resource budget for each individual review will be agreed when setting the Terms of Reference to ensure there is adequate time available to complete necessary work. The total number of indicative days allocated to each area of work for the period of the plan are included in the summary on page 6.

In July 2023, a review of available resources will be undertaken to determine the level of internal audit resource available for the remainder of the financial year and the risk assessment used to inform the 2023-24 plan for Q1-Q2 will also be reviewed and updated as necessary to determine whether there have been any changes in the corporate risk landscape.

A refreshed plan showing any changes and the intended assurance activity for the second half of the financial year will then accompany the first update report to the Finance & Audit Committee. The purpose of this approach is to ensure that the internal audit function remains responsive to changing risks and continues to target resources to the highest areas of risk.

Corporate Risks Assurance Work

Ref	Directorate	Activity	Scope of work	Links to Corporate Risk Register
1	Housing (Housing Landlords)	Tenancy Management	Review of arrangements to manage council tenancies, specifically mutual exchanges, successions, and terminations.	Risk 1
2	Corporate Services (Revenues & Benefits)	Discretionary Housing Payments	Review of arrangements to review and approve applications for Discretionary Housing Payments.	Risk 1
3	Housing (Housing Options)	Private Housing Enforcement	Review of arrangements to enforce Private Housing Regulations.	Risk 1, Risk 2
4	Chief Executive / Corporate Services (Finance)	Code of Conduct	Review of the council's arrangements to maintain standards of conduct of officers.	Risk 3
5	Chief Executive	Staff Travel & Subsistence	Review of arrangements to manage staff travel and subsistence reimbursements in accordance with council policy.	Risk 1
6	Environment (Planning)	STG Building Control Partnership	A review of the key financial, operational and governance arrangements in place.	Risk 1, Risk 2
7	Corporate Services (Finance)	Corporate Credit Cards (Purchase Cards)	Review of arrangements to allocate, monitor and make payments in respect of corporate credit cards.	Risk 1
8	Housing	Carbon Reduction Programmes (HRA)	Review of arrangements to monitor and deliver Carbon Reduction Schemes across HRA stock.	Risk 2
9	Communities	Environmental Enforcement	Review of arrangements to deliver environmental enforcement activity in accordance with legislation.	Risk 1

10	Environment (Operations)	Trade Waste Collection	Review of arrangements to manage Trade Waste collections, including income.	Risk 1
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Other Assurance Activity

Ref		Activity	Scope of work
	Council Wide	Finalisation of 2022-23 planned work	Allowance to finalise work from the 2022-23 plan not completed at 31 March 2023.
	Council Wide	Grant Validations	Allowance to conduct independent checks of grant expenditure as per award conditions.
	Council Wide	Responsive assurance work	Allowance to conduct responsive assurance work unknown at the time of planning.

Follow Up Work

Ref	Directorate	Activity	Scope of work
	Council Wide	Follow-up of Agreed Actions	Allowance to monitor and report on the implementation of agreed Actions.

Consultancy Work

Ref		Activity	Scope of work
	Council Wide	Attendance at Corporate Working Groups	Allowance for attendance at Corporate Working Groups
	Community Safety	Surveillance Camera Codes of Practice	Independent validation of internal assessment for conformance with the Surveillance Camera Codes of Practice
	Council Wide	Responsive consultancy work	Allowance to conduct responsive consultancy work unknown at the time of planning, as directed by senior management and including the provision of advice & information.

Summary

Ref	Activity	Resource Days	Timescale
	Corporate risks assurance work	150	Q1-Q2
	Other Assurance Activity	37.5	Q1-Q2
	Follow up work	5	Q1-Q2
	Consultancy work	15	Q1-Q2

V. Monitoring & review

Arrangements to monitor progress against the Plan are built into the working processes of the team and will be reported to senior management and the Finance & Audit Committee through the agreed Performance Indicator suite within the Quality Assurance & Improvement Programme.

The service will remain responsive to the needs of the council and will keep the planned work and priorities under review so that new emerging risks arising during the year can be included in the plan in the place of lower priority work. To do this, the Plan will be reviewed and presented to senior management and the Finance & Audit Committee through the quarterly update reports to ensure any amendments to the plan are properly approved.