

# Internal Audit Plan 2024-25 (Q3 – Q4)

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 (Q3-Q4)

The plan is prepared in line with the requirements of the Standards and is based on a risk assessment to ensure resources are directed to the highest areas of risk. The assessment undertaken in January 2024, which was used to inform the plan for Q1-Q2 included;

- Review of the council's priorities as set out in the Council Plan,
- 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 has been updated to take into account any known changes to risks within specific council services as well as sector knowledge of wider control risk areas. These updates are aimed 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.

# III. Resourcing

The Internal Audit Plan will be delivered using the in-house resources within the Shared Service, a total of 8.24FTE comprising of 0.65FTE Head of Internal Audit & Counter Fraud, 1FTE Internal Audit Manager, 1FTE Principal Internal Auditor, 4.59FTE Internal Auditors (0.41FTE vacant), and 1FTE Trainee Internal Auditor. All available chargeable days for the Internal Auditors (including the Trainee)/Principal 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.

When preparing the plan for Q1-Q2, the total chargeable Internal Audit resource forecast to be available for 2024-25 for Gravesham was 385 days, along with a further 41 days for management of internal audit activity. However, one Internal Auditor has resigned and there has been significant sickness absence,

which has severely impacted on resource and as a consequence, an investigator from the counter fraud team has moved to internal audit for the remainder of the financial year. Our updated forecasts to take into account all these suggest a loss of approximately 53 days of internal audit resource.

The plan for Q3-Q4 takes into account the projected changes to available resource and other impacts during Q1-Q2, while still ensuring a sufficient level of planned assurance work takes place to provide assurance over enough of the council's activities for the Head of Internal Audit & Counter Fraud to deliver an opinion on the effectiveness of the overall control environment of the council.

## IV. 2024-25 Internal Audit Plan (Q3-Q4)

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 second 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, the majority of these reviews have 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 4.

## Corporate Risks Assurance Work

Ref	Directorate	Activity	Scope of work	Links to Corporate Risk Register
11	Housing (Housing Options)	GBC Lettings	Review of arrangements to manage the GBC Lettings Service	Risk 1
12	Corporate Services (Finance)	Creditors	Review of arrangements for the processing of creditor payments, including the use of automated invoicing.	Risk 1
13	Communities & Inclusive Growth (Inclusive Growth)	Business Continuity	Review of arrangements to ensure the effectiveness of the council's business continuity arrangements.	Risk 3
14	Communities & Inclusive Growth (Community Support)	Market Management	Review of contract management arrangements	Risk 1
15	Corporate Services (Finance)	Debtors	Review of arrangements to administer and recovery sundry debts.	Risk 1
16	Environment (Operations)	Payroll	Review of arrangements to monitor the council's payroll service provided by Medway Council.	Risk 1, Risk 3
17	Corporate Services (Digital & IT)	Cyber Security	Review of arrangements to ensure the council is adequately protected against cyber security threats and attacks.	Risk 4
18	Housing (Neighbourhood Services)	Independent Living (Sheltered Housing)	Review of arrangements to manage the council's Independent Living schemes.	Risk 6
19	Environment (Planning)	Planning Appeals	Review of arrangements to manage planning appeals.	Risk 6
20	Chief Executive (HR)	Staff Sickness Management & Monitoring	Review of arrangements for staff sickness to be reported, recorded and monitored.	Risk 1, Risk 3

21	Communities & Inclusive Growth (Community Support)	Woodville & St George's Arts Centre Financial Management	Review of income and cash handling arrangements within the Woodville Theatre & St George's Art Centre	Risk 1
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## Other Assurance Activity

Ref	Directorate	Activity	Scope of work
	Corporate Services (Finance)	Rosherville Self-Assessment Validation	Allowance to conduct validation of governance self-assessments undertaken by Rosherville Subsidiaries

## 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	Directorate	Activity	Scope of work
	Council Wide	Attendance at Corporate Working Groups	Allowance for attendance at Corporate Working Groups

## Summary

Ref	Activity	Resource Days	Timescale
	Corporate Risks Assurance Work	145	Q3-Q4
	Other Assurance Activity	5	Q3-Q4
	Follow-up Work	5	Q3-Q4
	Consultancy Work	2	Q3-Q4

## 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.