

Draft Internal Audit Plan 2022/23



South Kesteven District Council

16 March 2022

Assurance Lincolnshire – Draft Internal Audit Plan 2022/23

Introduction

This report sets out the Internal Audit Plan as at 1 April 2022. The plan details the activities to be audited and the indicative scope for each audit. This draft plan gives you an opportunity to comment on the plan and the priorities that we have established.

Our audit plan delivers assurance within agreed resources. The plan is amended throughout the year to reflect changing assurance needs and we propose to revisit the plan after 6 months to confirm that the remaining audits remain key priorities for the Authority and key sources of assurance.

Developing the Plan

The internal audit plan has been developed using various sources including our external intelligence, local knowledge and the meetings held with key staff.

We have prioritised our audit work taking account of the impact an activity will have on the Council if it fails. The criteria for determining priority are:

- **Significance** – how important is the activity to the Council in achieving its objectives, key plans and in managing its key risks. We look at both financial loss and strategic impact.
- **Sensitivity** – how much interest would there be if things went wrong and what would be the reputational and political impact.
- **Level of Assurance** – we assess the current level of assurance evaluating reliability and contribution to the Head of Internal Audit annual opinion on governance, risk and control.
- **Time** – when it will happen (this will determine the best time to do the Audit).

Updating the Plan

Through the year we will liaise with the Council and collect business intelligence that identifies emerging audits which could be included in the plan according to priority.

The primary source of business intelligence will be the regular liaison meetings between our team and the nominated liaison contact, other sources of intelligence will include:

- Committee reports
- Performance and Risk
- Key stakeholders

Delivering the Plan

The audit plan has been developed to enable us to respond to changes during the year. Whilst every effort will be made to deliver the plan, we recognise that we need to be flexible and prepared to revise audit activity – responding to changing circumstances or emerging risks. The plan is therefore a statement of intent – our liaison meetings with senior management will enable us to firm up audit activity during the year.

The aim is to deliver the audits included in the plan in accordance with the schedule which will be devised once the plan is agreed. The schedule will be drawn up following liaison with the various auditees and Assistant Directors. Resources will then be allocated accordingly to the audits at the specified times. It is therefore important that any changes required to the audits or the schedule are notified to Internal Audit as soon as possible to avoid abortive time being spent on audits and for us to reallocate resources.

The core team who will be delivering your Internal Audit plan are:

Head of Internal Audit and Risk Management

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Audit Manager

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Principal Auditor

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We will be using Senior Auditors from our Team to support the completion of the plan.

Annual Internal Audit Opinion

We are satisfied that the level and mix of resources, together with the areas covered in the plan, will enable the Head of Internal Audit to provide their annual internal audit opinion.

Proposed Plan

Audit Area	Assurance Sought
Financial Governance	
Key Control Testing	<p>Delivery of key control testing to enable Head of Internal Audit to form an opinion on the Council's financial control environment.</p> <p>Terms of Reference which include scope and focus on key risks will be determined with the appropriate senior manager.</p>
Governance and Risk	
Good Governance Phase 1 and Decision Making	<p>To provide assurance that the Council has a robust Governance Framework in place that aligns to best practice (CIPFA / SOLACE 'Delivering Good Governance in Local Government' – issued 2016.</p> <p>Note: This will include transparency code and compliance.</p> <p>Benchmarking against the 7 good governance principles and the principles and the Governance Risk Resilience Framework – issued by the Centre for Governance & Scrutiny – issued 2021.</p> <p>Phase 2 – Governance Review – Culture and Values. Providing assurance on how the Council's governance arrangements work in practice (2023/24).</p> <p>This will also cover the decision making processes.</p>
Risk Management	<p>To review the effectiveness of the risk management arrangements including:</p> <ul style="list-style-type: none"> • Leadership & Management • Strategy and Policy • People – Risk Culture • Partnerships (shared risks and resources) • Processes • Risk Handling & Assurance • Outcomes & Delivery • Using risk maturity model
Health and Safety	<p>To review the effectiveness of the Council's health and safety arrangements including:</p> <ul style="list-style-type: none"> • Governance & Oversight • Compliance • Processes • Risk Assessment and Assurance • Reporting and monitoring • Measuring performance

Programme Management	Review of the programme and project management procedures in place to provide management with assurance that a robust and consistent approach is being followed. This will be an advisory review.
Critical Activities	
Housing Void Management	Review of the governance and procedures in place to monitor, manage and report housing voids
Housing Income Management	Review of the governance and procedures in place to monitor, manage and report housing income
HRA Building Programme	Assurance over the Housing Revenue Account building programme processes and procedures
ICT	
Cyber Security	The National Cyber Security Centre (NCSC) has identified 10 steps for cyber security to help organisations manage cyber risks. The review will cover these 10 steps, albeit at a high level, with a view to confirming that appropriate consideration has been given to these areas.
Additional Work	
Follow Up	To provide management with assurance that actions from previous key audits have been implemented and this has led to improved outcomes.
Total days – 112	

Other Activities	
Advice and liaison (to include meeting key staff and Senior Management)	
Annual Report	
Governance & Audit Committee	
Review IA Strategy and Planning	
Days	30