

Joint Audit and Governance Committee



AGENDA ITEM

Report of Internal Audit Manager

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To: Joint Audit and Governance Committee

DATE: 15 November 2022

Mid-Year Review of Internal Audit Plan 2022/23

Recommendations

(a) That members approve the updated internal audit plan 2022/23

Purpose of report

1. The purpose of this report is to:
 - summarise the outcomes of the mid-year review of the annual internal audit plan for 2022/23; and
 - present the updated internal audit plan 2022/23.
2. The contact officer for this report is Victoria Dorman-Smith, Internal Audit Manager for South Oxfordshire District Council (SODC) and Vale of White Horse District Council (VWHDC), email victoria.dorman-smith@southandvale.gov.uk.

Strategic Objectives

3. Delivery of an effective internal audit function will support the councils in meeting their strategic objectives.

Background

4. The Public Sector Internal Audit Standards (PSIAS) states that the head of internal audit should prepare a risk-based internal audit plan, and for plans to receive input from management. The PSIAS also states that the audit committee should approve the internal audit plan and monitor progress against the plan.
5. It is best practice to continually monitor and assess the internal audit plan throughout the year, to ensure it remains flexible and reactive to changing risks and events. As such, a mid-year review of the internal audit plan was undertaken by the internal audit manager to ensure that it remains relevant and aligns to corporate objectives.

Internal Audit Plan 2022/23: Mid-Year Updates

6. In September 2022, meetings were held between the internal audit manager and the senior management team (SMT) to understand if there have been any changes to the level of risk exposure within each service area across both councils, since the initial discussions in February 2022. Based on the outcome of these meetings, the internal audit manager updated the internal audit plan 2022/23 (**appendix 1**), which has been agreed with the head of finance (S151 officer) and considered by SMT. A summary of updates is outlined as follows:

Service Area	Audit Topic	Comments
Planning	Building Control	Audit deferred, pending requirements of new legislation (Building Safety Act 2022).
Housing & Environment	Mobile Home Parks	New audit added to Q4 to undertake a high-level review of MHP operations.
Finance	Cash Office	New audit added to Q3 to review cash office arrangements, following the move to Abbey House.
Policy & Programmes	Garden Communities	Audit changed from consultancy to assurance review. Revised scope to provide assurance on the compliance of processes to policies and procedures.
	Active Communities	New audit added to Q4 to review management of programme/schedule of work, including allocation of funds.

Climate and ecological impact implications

7. There are no direct climate or ecological implications arising from this report. However, per the climate action plan, for each individual audit in the 2022/23 internal audit plan, we will include risk considerations for the climate emergency in our audit work.

Financial implications

8. The internal audit plan can be delivered from within the approved 2022/23 budget, therefore there are no financial implications attached to this report.

Legal implications

9. None.

Risks

10. Identification of risk is an integral part of all audits.

Mid-Year Updates to the Internal Audit Plan 2022/2023
Planned Audits (Assurance and Consultancy)

No.	Service Area	Audit Topic	Risk Score (min. 7, max 21)	April to September (1 st Half)			October to March (2 nd Half)		
				Q1	Q2	Audit Status	Q3	Q4	Audit Status
1	Development & Corporate Landlord	Grounds & Parks Maintenance (incl. ROSPA, Tree Management & Inspections)	17				X		In Progress
2	Planning	Ocella System Functionality (Consultancy)	14		X	Completed			
3	Housing & Environment	Housing Allocations	12		X	Completed			
4		Temporary Accommodation	10					X	Not Started
5		Food Safety	11					X	Not Started
6		Mobile Home Parks (NEW)	12					X	Not Started
7	Finance	Financial Accounting	19		X	Completed			
8		Energy Rebate	17		X	Completed			
9		Leases	13				X		In Progress
10		Discretionary Fund	17				X		Not Started
11		Cash Office (NEW)	17				X		Not Started
12	Legal & Democratic	Gifts & Hospitality (Officers & Councillors)	11	X		Completed			
13		Community Safety	9	X		Completed			
14	Corporate Services	Grievance Policy	12	X		Completed			
15		Information Security	21	X		Completed			
16		ITGC (Council Managed Systems)	20	X		In Progress			
17		Health & Safety (incl. Lone Working)	16		X	Completed			
18		Corporate Consultations	10				X		In Progress
19	Policy & Programmes	Corporate Delivery Framework	14					X	Not Started
20		Business Continuity	17					X	Not Started
21		Risk Management	17					X	Not Started
22		Garden Communities	16					X	Not Started
23		Active Communities (NEW)	8					X	Not Started

Mid-Year Updates to the Internal Audit Plan 2022/2023
Annual Key Financial Audits

No.	Service Area	Audit Topic	Risk Score (min. 7, max 21)	April to September (1 st Half)			October to March (2 nd Half)		
				Q1	Q2	Audit Status	Q3	Q4	Audit Status
24	Corporate Services & Finance	Payroll	21	X		Completed			
25	Finance	Council Tax	19		X	In Progress			
26	Finance	Accounts Receivable	18				X		In Progress
27	Finance	Housing Benefits & Council Tax Reduction Scheme (HB&CTRS)	19				X		In Progress
28	Finance	National Non-Domestic Rates (NNDR)	19				X		In Progress
29	Finance	Accounts Payable	19					X	Not Started
30	Finance	Capital Management & Accounting	15					X	Not Started
31	Finance	General Ledger	18					X	Not Started
32	Finance	Treasury Management	18					X	Not Started

High Level Audit Scope

No.	Service Area	Audit Area	Audit Scope
Planned Audits (Assurance & Consultancy)			
1	Development & Corp. Landlord	Grounds & Parks Maintenance (incl. ROSPA, Trees)	ROSPA inspections and reporting. Tree management and inspections. Grounds and parks maintenance processes, including stock management and procurement.
2	Planning	Ocella System Functionality	Utilisation of Ocella system functionality by planning teams and identification of process efficiencies.
3	Housing & Environment	Housing Allocations	Allocations are performed consistently and fairly, in line with formal procedures.
4		Temporary Accommodation	Accommodation is provided consistently and fairly, in line with formal procedures.
5		Food Safety	Food safety inspections process. Management of individual contractors. Response to Covid-19 regulations.
6		Mobile Home Parks (NEW)	High level review of MHP operations.
7	Finance	Financial Accounting	Accounts preparation process, including adherence to the latest guidance and standards.
8		Leases	Operating and finance leases are accounted for correctly under IFRS16. Readiness for updated IFRS16.
9		Energy Rebate	Energy rebates issued in line with government guidance.
10		Discretionary Fund	Discretionary funds issued in line with government guidance.
11		Cash Office (NEW)	Cash office policy, procedures, and controls at Abbey House.
12	Legal & Democratic	Gifts & Hospitality	Reporting and monitoring of officer and councillor gifts and hospitality.
13		Community Safety	Contents and application of the Community Safety Partnership annual plan.
14	Corporate Services	Corporate Consultations	Consultations are transparent, fair, and documented. Actions are implemented timely.
15		Grievance Policy	Established processes to respond to officer grievances in a consistent and fair manner.
16		Health & Safety	Incident management, risk assessments, lone working procedures, hybrid working, performance reporting.
17		Information Security	IT and data security management in hybrid working arrangement. Preparation and response to cybersecurity incidents. Cybersecurity awareness of officers and councillors.
18		ITGC (Council Managed Systems)	Logical access, change management, IT operations and physical security controls over council managed IT systems.

High Level Scope (Continued)

No.	Service Area	Audit Topic	Audit Scope
Planned Audits (Assurance & Consultancy)			
19	Policy & Programmes	Corporate Delivery Framework	Contents and application of the corporate delivery framework.
20		Business Continuity	Contents and application of the councils' business continuity plan.
21		Risk Management	Risk management methodologies follow best practice whilst meeting the needs of the councils.
22		Garden Communities	Compliance of processes to policies and procedures, including non-financial management processes retention of documentation.
23		Active Communities (NEW)	Management of programme/schedule of work, including allocation of funds.
Annual Key Financial Audits			
24	Finance	Accounts Payable	Invoice and refunds processing. Duplicate suppliers and payments. Manual, direct debit and BACS payment transactions.
25	Finance	Accounts Receivable	Invoice processing, including periodic invoices. Recovery, aged debts, cancellations and write offs. Invoice suppressions. Raising invoices by service teams performed in accordance with financial procedures.
26	Finance	Capital Management & Accounting	Capital financial strategy and asset management plan. Capital contracts and budget monitoring. Completeness and accuracy of asset register, including reconciliations.
27	Finance	Council Tax	Liabilities, including discounts and exemptions. Payments, credits, refunds, and suspense transactions. Recovery, enforcement, and write-offs.
28	Finance	General Ledger	Bank reconciliations. Suspense account balances and transactions. Journal transfers, including authorisation and documentation.
29	Finance	Housing Benefits & Council Tax Reduction Scheme	Housing benefits and CTRS payments. Benefits assessments and subsidy claims. Benefit overpayments.
30	Finance	National Non-Domestic Rates (NNDR)	Valuation records for new and amended properties. NNDR billing, payment, and refund transactions. Debt recovery and write offs.
31	Corporate Services & Finance	Payroll	Amendments to standing data (starters, leavers, overtime, variations). Monthly payroll processing. Payroll records, including reconciliations between systems.
	Finance	Treasury Management	Investments and borrowings (including authorisation, counterparty limits, coding). Treasury management performance. Access level controls within treasury management and banking systems.