

Draft Indicative Internal Audit Plan

(2023/2024)

Planned Internal Audit Review Area	Risks context	Planned Internal Audit Coverage	Q1	Q2	Q3	Q4
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Healthy Environment

Sec 106 Agreements	There is a failure to recover and utilise all contributions secured	The purpose of this audit is to review how s106 funds are recorded and spent in line with relevant agreements and time limits and to provide assurance that accounting records are maintained to evidence all expenditure. All s106 obligations have been recorded in an accurate and timely manner. That all s106 obligations are included in all relevant planning approvals. Have we got the internal skills and knowledge to challenge developers? Are we getting VFM from our valuations team, do they have too many conflicting priorities? How are fund balances monitored and reported?			●	
Community Infrastructure Levy	Non-compliance with regulatory requirements and recommended practice. CIL not maximised where eligible developments are not identified for CIL charges and/or charges are incorrectly. Invalid exemptions are applied for and granted. Inefficient and ineffective charge collection and debt recovery, leading to a loss of income and planned benefits derived from CIL	To establish that the processes for the collection of monies relating to the CIL are robust and meet the key CIL legislative requirements. To document the processes for monitoring and reporting spend against CIL monies to ensure that funds are being used to achieve the Local Plan and Key Priorities. Can this be completed alongside sec 106 review (above), or should they be separate audits?				●
Fuel system	In appropriate use and/or theft of fuel	Ascertain how fuel is controlled at the depot, that the fuel figures produced are dependable; fuel data is appropriate, proportional and is analysed to inform decision making.	●			

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Thriving Communities

Homelessness Prevention Grant	Terms and conditions of grant determination are not met	The Chief Executive, section 151 officer, or Chief Internal Auditor of each of the recipient Authorities must, in advance of tranche payments, sign and return a declaration confirming the conditions attached to the homelessness prevention grant have been complied with.	●			
Homelessness	increasing number of people becoming homeless and placing additional financial pressure on the Council to provide temporary accommodation (including B&BS).	The audit will review the effectiveness of the systems in operation for processing applications and monitoring homelessness cases and select a sample of cases to review application process, to ensure compliance with policy and to establish the level of monitoring undertaken once the decision to accept a homeless case has been made.				●
Rough Sleeping Initiative and Protect and Vaccinate Grant cert	Terms and conditions of grant determination are not met	The Chief Executive, section 151 officer, or Chief Internal Auditor of each of the recipient Authorities must, in advance of tranche payments, sign and return a declaration confirming the conditions attached to Rough Sleeping Initiative have been complied with.		●		
Rough Sleeping Accommodation Programme Grant Determination (RSAP 1 & 2)	Terms and conditions of grant determination are not met	The Chief Executive, section 151 officer, or Chief Internal Auditor of each of the recipient Authorities must, in advance of tranche payments, sign and return a declaration confirming the conditions attached to Rough Sleeping Accommodation Programme determination.	●			
Public Health Grant	The Public Health ring-fenced grant funding conditions include specific reporting requirements to the Department of Health.	looking at VFM of areas / contracts funded by the Public Health Grant such as certain activities provided by GPs, healthcare contracts and the voluntary sector.		●		

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Commercial Assets & Investments	Poor investment outcomes and increase exposure to financial risk including loss of anticipated rental income and poor investment returns.	Review adequacy of systems in place to identify, collect, record and monitor rental income due. This is a follow on from the audit performed in 2022/2023 but focusing on the Oracle contract. Terms of reference to be agreed with AD	●			
Demand management (inc ASC Front Door)	Good demand management and supervision processes are critical to maintaining effective practice.	The aim of the audit is to measure the understanding of current demand levels and the activity undertaken to management and prioritise demand through the ASC Front Door. How are waiting lists managed, use of RAG, risk assessments, is it consistent and fair across ASC?			●	
Supported Living Placements	ASC not receiving VFM, costs excessive	The audit will review how supported living residential placements are commissioned, what options are explored, that placements provide value for money and are reviewed/managed regularly		●		
S117 of the Mental Health Act	If the processes for approval of joint care and the financial procedures for recharges are not robust the Council will not recover costs.	The audit will ensure eligibility for s117 aftercare is confirmed. Correct identification of responsible CCG; Effective utilisation of commissioned services. Appropriate agreement / allocation of health and social care funding (partnership working). The audit will include review of the process for discharges from s117 and the arrangements for apportioning financial responsibility for funding for care.	●			
Learning & Development, Physical Development and Mental Health Placements		This audit will review how we commission specialist/out of borough places for L&D and Mental Health. The audit will assess what options have been explored that placements provide VFM and are managed/reviewed regularly.			●	
Continuing Health Care (CHC)	If the processes for approval of joint care and the financial procedures for recharges are not robust the Council will not recover costs.	Assurance that the Council's practice and processes fit with its responsibilities under the national framework for NHS Continuing Healthcare and NHS-funded Nursing Care, and that the Council has worked collaboratively with the CCGs when reviewing processes.		●		

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Deputyship and Appointeeship (Follow up Review)	Cash for clients misappropriated. Financial records do not reconcile with monies received/paid out. Property held on behalf of clients misappropriated. Failure to meet legal responsibilities required by the Court of Protection. Reputational risk to Council	Undertake a review of the arrangements in place over deputyship and appointeeship to assess whether the Council is fulfilling its responsibilities. Financial accounts and supporting evidence; records are complete; cash is held and handled securely (IF STILL USED) and management oversight, challenge and assurance is effective.			●	

Inclusive Economy

Reading Museum & Collections inc Reading Foundation of Art	Reading Foundation of Art (RFA) is an independent charity that raises funds and purchases for works of art which are then kept at Reading Museum. Need to scope and review current position of RBC and RBC officers in relation to RFA and any interface with RBC processes	Undertake review of RBC procedures involved in relation to links to RFA, ensuring clear scope of roles and responsibilities and assets, ensuring that process, staff, assets and everything related is properly discharged – all processes required by RFA are compatible with RBC.		●		
Local Transport Plan Capital Settlement (Grant Certification)	Terms and conditions of grant determination are not met	It is a requirement that the Head of Audit signs a declaration to confirm that the conditions of funding have been complied with.		●		
Local Authority Bus Subsidy Grant (BSOG)	Terms and conditions of grant determination are not met	It is a requirement that the Head of Audit signs a declaration to confirm that the conditions of funding have been complied with.		●		

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Payroll (inc HR/Itrent processes)	Errors and omissions resulting in weaknesses in the integrity of financial data and statements.	HR and Payroll utilise iTrent, a platform that delivers end-to-end HR and payroll processing. All overtime, travel and subsistence transactions are submitted through I-Trent. The purpose of this audit will be to review and assess the design and effectiveness of controls in relation to payroll activity to provide assurance over the accuracy, completeness and timeliness of transactions undertaken.		●		

Foundations

Coroners Service	Costs not apportioned and/or recovered	Review the arrangements the Council has in place to support the coroner, covering roles and responsibilities, contracts with third parties and the service's performance and financial management processes and controls. Terms of reference to be agreed with AD		●		
New Finance System migration	General Ledger Operations are a key function within the Council, and it is particularly important that all transactions are recorded accurately within agreed timescales in order that the Council is able to produce accurate financial information to assist with the decision-making process.	There will be postings into oracle for adjustments and amendments once the new system goes live. This audit will seek to review the process for transferring balances and history from the current system to the new finance system. This will incorporate verifying the transfer of balances and new chart of accounts. GL transferred balances and open item balances such as AP and AR. (Timing will very depend on when the system goes live)			●	
Intercompany accounting (Follow Up Review)	Incorrect journal transfers made, resulting in over/under charges. Journals are not supported and/or authorised.	During 2021/2022 we reviewed the process for billing Brighter Futures for Children (BfFC), to ensure the correct amounts are journaled across, supporting evidence is available and transfers are authorised. This audit was given limited assurance. A follow up review will be undertaken to establish what progress has been made to address audit concerns	●			

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Accounts Payable	This system provides material disclosures for the financial statements. Late payment concerns and its unknown how queried invoices are impacting on AP KPI's	This audit will verify Systems controls for the new financial system AP module. Ensure responsibilities are documented, ensuring payments are correctly coded, made promptly, in full and only in respect of authorised invoices and that orders for goods and services are placed in advance and appropriately authorised.			●	
Bank & Cash Rec inc control account reconciliations	This system provides material disclosures for the financial statements. The is one of the key processes that has been given limited assurance each year	The audit will verify the reconciliation of the bank account and all control accounts and review the process to ensure these are completed in a timely way. The audit review feeder system interface with the GL and reconciliation - is the process automated or is there manual intervention? The audit will cover all feeder systems to fusion, payroll, Mosaic, Civica etc and focus where there is manual intervention.		●		
Accounts Receivable	Weak or delayed recovery arrangements increase the likelihood that debts will not be recovered, reducing the council's income.	The audit will review dunning and collection processes in the new Financial System. The audit will also review the arrangements for the prompt recovery of debts, writing off unrecoverable debt, and potentially writing debt back on if circumstances change.				●
CTAX	Council Tax is a core financial system and increasingly a significant source of income to the Council	Areas of coverage may include a) Policies, Procedures and Legislation, b) Amendment to Council Tax records, c) Discounts and Exemptions, e.g. Single Person Discount d) In-year Billing, e) Collection and Refunds, f) Recovery, Enforcement and Write Offs, g) Reconciliation between Council Tax system and General Ledger, h) Performance monitoring and Performance, and I) System access.		●		
Digital Technology and Change - Project Management	Poor governance, projects commence without due diligence and approval. Projects not assessed and monitored to ensure that they are delivering their planned benefits within their planned costs.	ICT perform a number of projects either as part of a wider business led project or as part of an ICT specific project. Digital Technology and Change (former Corporate PMO) covers all business projects with ICT implications. This audit will assess the project management governance and compliance with project management practices and to understand controls in place to measure the benefits the project(s) is delivering.			●	

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Data Security/Information Governance	Information created, accessed, handled, stored, protected and destroyed by the Council and its service areas is not managed in compliance with legislation or local policies. Council services do not fully understand or manage the risks such non-compliance involves.	The audit will provide assurance on whether systems used to create, process and store records are appropriately managed, data is appropriately retained, arrangements are in place for handling any security breaches, and whether any losses can be recovered. The aim is to measure compliance against best practice guidance and to see whether information is handled correctly and protected from unauthorised access, loss, damage and destruction.			●	
Subject Access Requests (SAR)	The introduction of GDPR brings home changes to the processes for dealing with subject access rights.	This audit will look to provide assurance that controls are in place to allow the Authority to respond to all SAR requests in a timely manner and that there is sufficient reporting and governance processes in place to monitor and manage performance.				●
Procurement end-to-end process	Risk of non-compliance with Public Contracts Regulations 2015 leading to legal costs, damages and financial penalties as well as reputational risk. Services not gearing up / preparing sufficiently for re-procurement of contracts and services in their areas. Waivers used inappropriately.	The purpose of the audit is to review as to whether the procurement function has the necessary authority, position and resources to perform effectively. The Council has an appropriate strategy governing its Procurement activities. Procurement has addressed the legal framework and recent legislative changes. Procurement has sound business processes throughout the procurement cycle. Procurement can demonstrate robust performance management, interfaces well with services and contributes to organisational efficiency. Terms of reference to be agreed with AD.		●		
Scheme of Delegation		Review of a sample of decisions made to confirm that the Council's new Scheme of Delegation is being complied with and that officers do not take decisions which are beyond their delegated powers.				●

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Employee gifts and hospitality & declarations of interests	Governance policies/instructions are not followed leading to weaknesses in internal controls. This produces a heightened risk of fraud, corruption &/or poor value for money with the consequent negative reputational impact.	This review will seek to determine the level of compliance with the code through contacting a selection of key services to see if any gifts or hospitality have been declared and whether declarations of interest have been provided.		●		