

Internal Audit Plan

(2024/2025)

APPENDIX 1

Thriving Communities

Planned Internal Audit Review Area	Risks context	Planned Internal Audit Coverage	Q1	Q2	Q3	Q4
Caseload management (inc ASC Front Door)	Good caseload management and supervision processes are critical to maintaining effective practice. People are not able to receive adult social care intervention	The aim of the audit is to follow up the action plans resulting from the external assessment by LGA/ADASS in January 2024			●	
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.				●
Housing - Rent Collection/Service Charges	Properties are not identified and accurately recorded in the rent accounting system. Gross rent and other charges are not correctly calculated. Rent and service charges are not correctly identified in the HRA and general fund. Income to the HRA is not optimised due to 'legacy' decisions not to pass on to tenants the cost of specific services which can legitimately be added to basis rents.	Confirm that all properties are identified and accurately recorded in the rent accounting system, the gross rent and other charges have been correctly calculated in respect of each dwelling and correctly credited to tenants rent accounts. All tenancy charges are correctly approved and recorded. The Council has a clear rationale for a) applying those charges currently being collected, and b) not charging for specific services where the relevant legislation, regulations and guidance would permit them to be applied	●			
Continuing Health Care (CHC) - follow up	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. Limited assurance was given in 2023/2024, this audit will follow up the recommendations made.				●
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. Carried forward from 2023/2024 audit plan.		●		

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New scheme of delegation & Eligibility, Risk and Review Group	Where there is no evidence of an adequately robust challenge during the placement identification process the Council may be unable to demonstrate that it has delivered effective provision and is delivering value for money.	Following constitutional changes, a scheme of delegation will be brought into the ERRG process, giving more autonomy to staff and therefore some decisions will be made outside of ERRG. The audit will review how the new scheme of delegation has been embedded and how financial decisions are evidenced. The audit will also assess whether there is robust challenge over the placement identification process and pricing and whether all information is required by and received by the ERRG. The audit will review the decision-making process, constitution of the panel (skills & expertise), evidence maintained to support decisions and review process.			●	
Housing Repairs (responsive & planned maintenance) - follow up review	Lack of skilled staff to deliver housing repairs resulting in delays to service delivery and increase costs due to reliance on contractors.	This is a follow up audit, following the last review in 2023/2024 which was given limited assurance. The audit will review the processes for ensuring that responsive repair work is prioritised in order to meet national and local targets and make efficient use of resources. Ensure that Housing Repairs have an effective system in place around budget monitoring and that job costs are accurately recorded and accounted for. We will also ensure that there is effective system to record what materials have been purchased and details regarding which job they relate to and that there is a mechanism for reconciling material charges to records of work performed				●
Housing Repairs Order & Control of Materials	The service may not be able to deliver its services in line with its allocated budget. The Council is at risk theft of materials or paying inappropriate charges for materials not linked to recorded jobs.	Review the adequacy and effectiveness of internal control over the purchase and allocation of materials, covering the ordering, collection of materials and the payment mechanism.			●	

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Housing Complaints	Effective complaint handling becomes paramount, not only to meet the expectations of the Ombudsman and Regulator, but more importantly, to swiftly address and resolve issues for residents. Furthermore, extracting valuable lessons from these complaints is vital for driving improvement in services.	Landlords must proactively consider what additional measures they can implement to enhance the well-being of their residents and prepare for the upcoming enforcement of the 'Complaint Handling Code' starting from 1st April. With changes in regulatory framework this audit will review the processes for managing complaints, that we understand themes and learning is being taken to address underlying issues and that resolutions e.g.re damp and mould are being acted on in a timely way.		●		

Foundations

Planned Internal Audit Review Area	Risks context	Planned Internal Audit Coverage	Q1	Q2	Q3	Q4
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. This will also incorporate a review of understanding of and compliance with the Council's retention and disposal policies	●			
Accounts Payable (Creditors)	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.		●		

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General Ledger	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 can produce accurate financial information to assist with the decision-making process.	The audit will review the user controls and delegated financial limits in E5 for both RBC & BFfC transactions, to ensure they are appropriate and well controlled. The audit will review of controls in place in relation to journals, including segregation of duties between requesting, inputting and authorising journals, evidence of appropriate supporting documentation and clear descriptions and appropriate authorisation. Controls over suspense accounts including a clear rationale for why and how they are used, clearly defined roles and responsibilities for overseeing them and regular monitoring and review/clearing of accounts.		●		
Business Rates	Business Rates is a core financial system and increasingly a significant source of income to the Council	To evaluate the Council's effectiveness in managing and collecting non-domestic rates and assessing compliance with legislation and regulations. The scope would focus on rate setting; application of reliefs and exemptions; collection and recovery processes; maintenance of the rating list; valuations, and accuracy of record-keeping.			●	
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.	Ascertain the value of influenceable spending that is covered by a formal contract and select a sample to establish compliance with policies and contract rules. review of 3rd party spend– where should contracts be in place and aren't. Review of contracts register is it up to date, how many times have contracts been rolled over/let to the same party, are plans in hand for those contracts that are coming up for renewal?			●	
Cyber Security - follow up	The threat from cyber-attacks is significant and continuously evolving. As the number of remote working environments and the use of third-party software to improve the effectiveness of remote working increases, individuals may inadvertently compromise business security.	The audit will assess RBC's & BFfC's arrangements forprotecting its systems and services from cyber-attack,including arrangements for effectively responding to attacks as and when they occur. This will be a joint audit covering both RBC and BFfC.	●			

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IT Disaster recovery and business continuity planning	It is essential that the Council maintains effective business continuity plans that enable it to respond to an incident that could if unchecked result in a major failure in service delivery	A review of the adequacy and effectiveness of the Council's & BFfC's IT disaster recovery and business continuity planning in the event of denial-of-service attacks or critical incident.			●	
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	●			
Fuel system (follow up)	In appropriate use and/or theft of fuel	Ascertain how fuel is controlled at the depot, that the fuel figures produced are reliable; fuel data is appropriate, proportional and is analysed to inform decision making. Limited assurance provided following our review in the 2022/2023 financial year.	●			
Coroners Service (follow up)	Costs not apportioned and/or recovered	During 2023/2024 we reviewed the arrangements in place to support the coroner, covering roles and responsibilities, contracts with third parties and the service's performance and financial management processes. This audit was given limited assurance. A follow up review will be undertaken to establish what progress has been made to address audit concerns.			●	
Commercial Lease/rent reviews (Rent Roll)	Inaccurate information may be held in the financial accounts and income due may not be collected	Review the management arrangements over the rental estates (rent roll) portfolio to ensure that adequate records are maintained, income due is collected promptly and valuations are regularly undertaken and updated in the Council's accounts.	●			

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Joint Legal Team (JLT) Billing process – (follow up and system review)	Where controls in place with respect to financial reporting are not robust there is an increased risk that financial information may not be sufficiently robust for budgeting purposes. Where costs are not recorded correctly and charged appropriately this may give rise to unexpected future adjustments.	This audit will provide assurance that the billing process for the Joint Legal Team (JLT) accurately captures all incurred costs, which in turn are accurately recovered from partner organisations		●		
Employee gifts and hospitality & declarations of interests (follow up)	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. This area was provided limited assurance in 2023/2024 and this is a follow up audit.				●
Debt Management	Debt recovery action is not initiated and recorded promptly and is inefficient. Council systems and processes are not effective in maximising debt recovery	This audit will review compliance with the Corporate Debt Policy, to ensure collection performance is monitored and reported. Collection activity is focused, and less priority is given to accounts with ageing balances which may not be 'real' receivables. The audit will ensure the debt recovery procedure specifies the types of action to be taken and timescales for such. That debt management, arrears follow-up procedures and bad debt write offs are properly controlled. There is appropriate monitoring and reporting of debts and write offs			●	

Inclusive Economy

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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.		●		

Healthy Environment

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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.		●		
Residents Parking Enforcement	PCN enforcement work is not being targeted to areas and times where PCNs are issued meaning that the council loses out on PCN income.	Provide assurance on the adequacy on the adequacy and effectiveness of controls/processes over parking permits.				●