

# Tewkesbury Borough Council

## Internal Audit Plan 2023/24

### (October 2023- March 2024)



## Internal Audit Plan 2023/24

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver for the period October 2023 – March 2024.

### Introduction and objective of the Audit Plan

Internal audit provides an independent and objective opinion on the authority's risk management, governance, and control environment by evaluating its effectiveness.

Each year the Chief Audit Executive, in conjunction with Senior Management, sets out proposed audit plans for April to September, and then October to the following March. Each six-monthly plan is presented to the Audit and Governance Committee for approval.

The objective of this planning process is to provide an annual audit opinion, based on sufficient and appropriate coverage of key business objectives and associated risks.

The outcome of each audit assignment should provide senior management and members with assurance that the areas audited and associated risk is effectively managed. Where improvements are required then this will be supported with appropriate recommendations.

When undertaking individual audit engagements an opinion is given for each element of the system being audited. The definitions used are standard definitions as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and accord with the definition of internal audit as prescribed within the Public Sector Internal Audit Standards (PSIAS). The four definitions used are as follows:

- **Substantial Assurance** – “A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.”
- **Reasonable Assurance** – “There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.”
- **Limited Assurance** – “Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.”
- **No Assurance** – “Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.”

In applying the most appropriate level of opinion internal auditors will use their professional judgement, based on the results of the audit, consideration of risk and consequences of areas of weakness for the organisation. The opinion concluded is informed by the number of recommendations made and the category of those recommendations. There are three categories: high, medium and low.

The internal audit planning process recognises the difficulty in predicting longer term planning. Having a flexible approach and an audit programme set at six monthly intervals, allows internal audit to adjust the audit programme in line with changes made to the council's risk register, operations, and systems. It must be recognised that the council has an extensive and complex array of systems, processes and frameworks which overall informs the council's internal control environment. Therefore, internal audit coverage can never be absolute and is limited to the area being audited at that point in time. Responsibility for risk management, governance and internal control arrangements remains fully with management. Internal audit is an arm of effective management.

To give adequate coverage of the council's risk, governance and internal control environment the plan is broken down across those sub-headings. In addition, days are allocated to do follow up work i.e. confirm the implementation (or not) of previous internal audit recommendations, also for corporate improvement work – this is where internal audit can lead or deliver on specific projects or policies. The plan is based on 'net' productive days after taking account of days allocated for any annual leave, an allowance for sickness absence, training days etc.

Proposed Internal Audit Plan 2023/24 (October 2023 – March 2024)	
Areas of coverage and brief scope	Responsible officer
<b>Corporate risk register</b>	
The <b>risk register</b> is a high-level corporate document presented at each Audit and Governance Committee meeting. The document captures the details of the risk, its impact upon the council, the controls in place to mitigate the risk and any further mitigating action points. The risks are audited on a rolling basis to give management and member's assurance that controls in place are effective and action points are being progressed.	Risk Owners
<b>Governance related</b>	
<b>Health and Safety</b> – the audit will aim to ensure that health and safety controls are designed and operating effectively, in accordance with legislative and regulatory requirements.	Head of Environmental Health
<b>Safeguarding</b> - the audit will review compliance with agreed policies and procedures, as well as the council's safeguarding self-assessment, and evaluate the effectiveness of the controls in place to mitigate any associated risks.	Director: Communities
<b>Financial</b>	
<b>Insurances</b> – the main objective of the audit will be to ensure that insurance cover is sufficient, policy conditions are being met and any incidents giving rise to an insurance claim are promptly reported, processed, and monitored.	Associate Director: Finance
<b>High Street Heritage Action Zone (HSHAZ)</b> – the HSHAZ scheme is a joint initiative with English Heritage. The total value of the scheme is just over £2m. The overall project is broken down across various work streams including shop front/facades, residential use of upper floors, public realm, traditional skills, healings mill. The audit will review the delivery of the individual work streams and that overall grant conditions are adhered to.	Head of Community & Economic Development
<b>New Heating System</b> - Council recently approved the installation of an air source heating pump at the Public Service Centre. The contract value sits at £1.1m and the audit will give assurance that the project is effectively managed and contract terms and conditions are met.	Head of Asset Management
<b>Service related</b>	
<b>Council Tax Reduction Scheme</b> – council tax reduction is calculated based on an individual's circumstances and is credited directly to a claimant's council tax account. The audit will provide assurance that claims are supported with appropriate documentary evidence, have been calculated accurately and input correctly.	Head of Revenues & Benefits
<b>Growth Hub</b> – the Growth Hub opened in the Public Service Centre in 2018, forming part of the Gloucestershire Growth Hub network offering support to businesses. The audit will review the LEP funding agreement to ensure conditions are being met and outputs accurately reported.	Head of Community & Economic Development

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<b>Building Control/ S101 Agreement</b> – the audit will review the agreement in place for the council’s shared building control service with Cheltenham Borough Council. It will seek to provide assurance that governance arrangements are robust, and that service and performance standards are met.	Associate Director: Place
<b>Recycling Credits</b> – the council receives recycling credits as an incentive to divert as much waste away from landfill as possible. This equates to an approximate annual income of £600k. The audit will look to obtain assurance that a MRF contract is in place, the service is monitored appropriately, and expenditure and income are accurate.	Head of Community Services
<b>ICT (including cyber security)</b> – a reserve has been set aside for the commissioning of specialist ICT audit work.	Associate Director: ICT & Cyber
Corporate improvement	
This is ad hoc work and can either be of a consultancy or assurance type nature. Using the independence of internal audit can help inform Chief Officers Group (COG) of specific issues when a need arises or utilise internal audit to undertake a piece of work where there may not be available resource.	Chief Officers Group (COG)
Consultancy & Advice (including representation of Corporate Group)	
As part of the role of internal audit it is inevitable the team will be approached from time to time to provide ad-hoc advice. The team welcomes such approaches, and these are often around contract procedure rules, financial procedure rules, proposed system changes etc.	Chief Audit Executive
Follow up reviews	
A key part of the work of internal audit is to <b>follow up</b> previous recommendations with relevant services to gain assurance they have been implemented. The date of follow up is driven by the agreed implementation date. The outcome of this work is reported at each Audit and Governance Committee meeting via the internal audit monitoring report.	Directors/ Associate Directors/ Heads of Service