

# West Oxfordshire District Council

## Proposed Internal Audit Plan 2021/22

## Internal Audit Planning 2021/22

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver throughout the 2021/22 financial year.

### 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.

Prior to the start of each financial year, SWAP, in conjunction with senior management, put together a proposed plan of audit work. The objective of our planning process and subsequent plan is to put us in a position to provide a well-informed and comprehensive annual audit opinion, based on sufficient and appropriate coverage of key business objectives, associated risks, and risk management processes.

The outcomes of each of the audits in our planned programme of work, will provide senior management and Members with assurance that the current risks faced by the Authority in these areas are adequately controlled and managed.

When reviewing the proposed internal audit plan (as set out in Appendix 1), key questions to consider include:

- Are the areas selected for coverage this coming year appropriate?
- Does the internal audit plan cover the organisation's key risks as they are recognised by the Senior Management Team and Audit and General Purposes Committee?
- Is sufficient assurance being received within our annual plan to monitor the organisation's risk profile effectively?

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The proposed 2021/22 plan presented in Appendix 1 provides coverage of the Authority's key corporate objectives and risks as well as core areas of recommended coverage.

**Internal audit is only one source of assurance and should be considered as such.**

### Update to Approach

Due to the pace of change within Local Authorities, it is becoming increasingly difficult to accurately predict longer-term key organisational risks. Our approach to internal audit planning recognises this through a strategic 12 month rolling plan, whereby we have prepared an agile, risk assessed work plan containing key areas of coverage. This approach will ensure we are auditing the right areas, with the correct scope, at the right time.

We will revisit and adjust our programme of work on at least a quarterly basis to ensure alignment with the changing risk profile of the organisation's operations, systems and controls and with regard to sector risks. The regular input of Senior Management and review of the Authority's risk register will be considered in this process. Our 2021/22 audit plan will contain an element of contingency in order that the plan can remain flexible and respond to new and emerging risks as and when they are identified and may include unannounced activity.

The proposed audit plan at Appendix 1 provides coverage of the Authority's key corporate objectives and risks, as well as our core areas of recommended audit activity.

Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. Internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.

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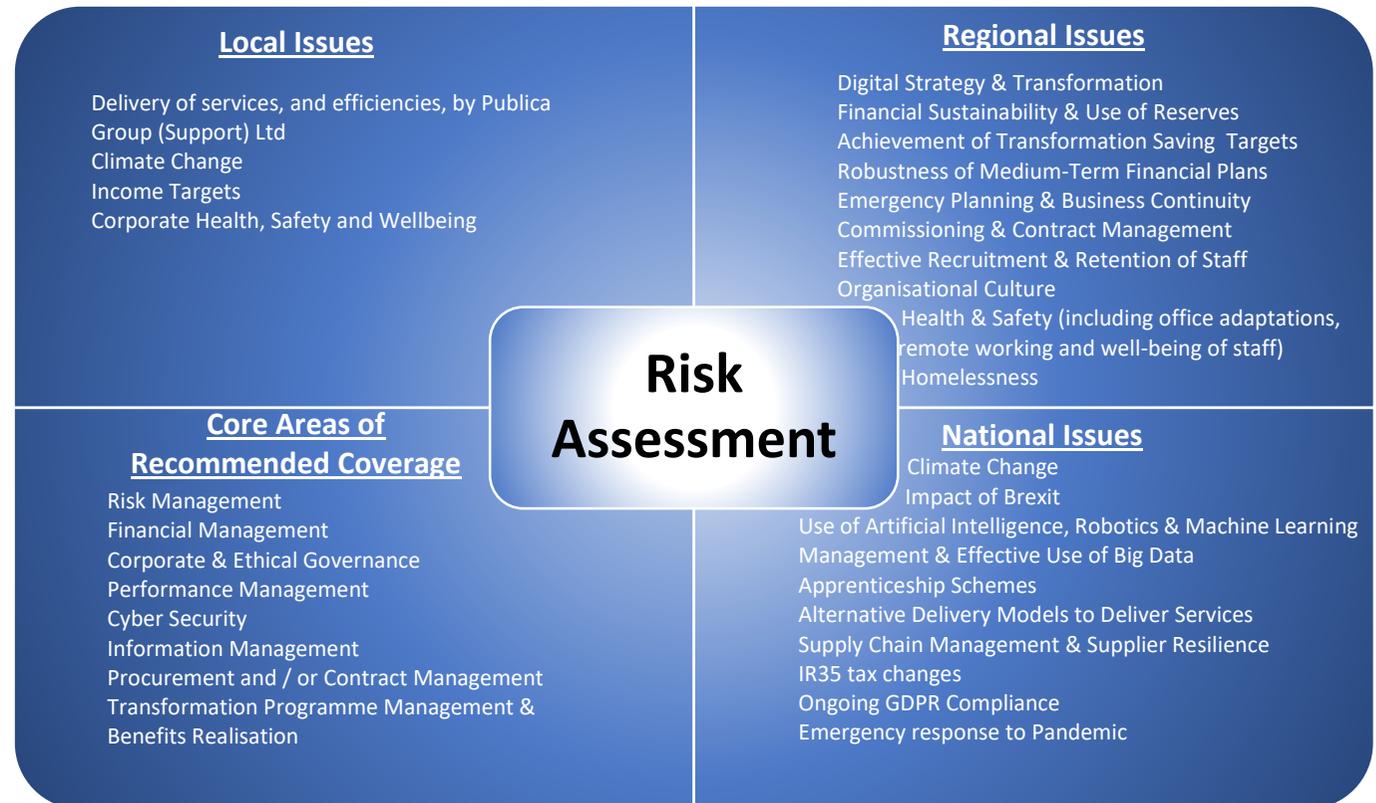
Our documented risk assessment helps to ensure that sufficient and appropriate areas are identified for consideration in our internal audit programme of work.

As above, it is the responsibility of the Authority's Senior Leadership Team, and the Audit and General Purposes Committee to ensure that, with consideration of our risk assessment, the overall programme of work throughout the year contains sufficient and appropriate coverage.

## Internal Audit Risk Assessment (updated)

Our 2021/22 internal audit programme of work is based on a documented risk assessment, which SWAP will revisit regularly, but at least annually. The input of senior management as well as review of the Authority's risk register has been considered in this process.

Below we have set out a summary of the outcomes of the risk assessment for West Oxfordshire District Council



*It should be noted that the audit titles and high-level scopes included below are only indicative at this stage for planning our resources. At the start of each audit, an initial discussion will be held to agree the specific Terms of Engagement for the piece of work, which includes the objective and scope for the review.*

Areas of Coverage and Brief Scope	Responsible Officer
<b>Core Audit Areas</b>	
<p><b>Core Financials – Publica Controls and Transactional Testing</b>  <i>A review of the controls operating within Publica in respect of the Core Financial systems:</i></p> <ul style="list-style-type: none"> <li>• Payroll</li> <li>• Accounts Payable (Creditors) – to include regular check of potential duplicate payments and reporting to AP service for investigation</li> <li>• Accounts Receivable (Debtors)</li> <li>• Treasury Management and Bank Reconciliations</li> <li>• Main Accounting, Capital Accounting and Budgetary Control</li> </ul> <p><i>Depending on previous years audit assurances a high-level review may be deemed appropriate.</i></p>	<p><b>Group Finance Director</b></p>
<p><b>Human Resources</b>  <i>A review of an element of the Human Resources (HR) service – Suggested area to be reviewed is the Recruitment Process following changes to the system.</i></p>	<p><b>Group Manager Business Support</b></p>
<p><b>Other Publica Area</b>  <i>Review to be undertaken of either Procurement / Health and Safety / Insurance. Suggested area for review is Procurement, following update to the strategy, changes to limits / thresholds, ensuring BMs are complying with strategy.</i></p>	<p><b>Group Manager Business Support</b></p>
<p><b>Revenues and Benefits</b>  <i>A review of the controls operating in respect of:</i></p> <ul style="list-style-type: none"> <li>• Council Tax</li> <li>• National Non-Domestic Rates</li> <li>• Housing Benefit and Council Tax Support</li> </ul> <p><i>Scope to be confirmed</i></p>	<p><b>Group Manager Resident Services</b></p>

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<p><b>ICT Audits</b>  <i>Proposed audits, following completion of Cyber Security review in 2020/21 include:</i></p> <ul style="list-style-type: none"> <li>• <i>Existence and Maintenance of an Inventory of Hardware Assets</i></li> <li>• <i>Inventory of Software Assets (Including Data Assets)</i></li> <li>• <i>Control of Accounts with Administrative Privileges</i></li> <li>• <i>Vulnerability Management</i></li> </ul>	<p><b>Group Manager Business Support</b></p>
<p><b>Risk Management</b>  <i>To review a specific element of the Council's Risk Management process</i>  <i>Review to follow-up 2020/21 audit</i></p>	<p><b>Group Manager Strategic Support</b></p>
<p><b>Performance Management</b>  <i>A review of an element of Performance Management</i>  <i>Scope to be confirmed</i></p>	<p><b>Group Manager Strategic Support</b></p>
<b>Proposed Audit Areas</b>	
<p><b>Leisure and Culture Facilities</b>  <i>Review to determine how the Council ensures the leisure service provider(s) are adhering to statutory Health and Safety regulations. Review to test requested confirmations for tests such as fixed wire testing, fire alarm systems and emergency lighting tests.</i></p>	
<p><b>Property Related Health and Safety</b>  <i>Review to assess the Health and Safety arrangements at the Council's properties including compliance with Fixed Wire, Emergency Lighting and PAT testing.</i></p>	
<p><b>Use of Third-Party Workers</b>  <i>Review of the recruitment and on-going personnel management of agency / contractor / temporary / third-party workers who work at / on behalf of the Council. Are HR related considerations, processes and controls robust enough within individual service areas?</i></p>	
<p><b>Climate Change</b>  <i>Review to assess what business areas are doing to support the Council's commitment to the Climate Emergency.</i></p>	
<p><b>Environmental Regulatory Services (ERS) Flooding and Drainage Team</b>  <i>Request to review the service area – full scope to be determined with the Business Manager for the service.</i></p>	
<p><b>Building Control</b>  <i>Review of the Building Control process offering suggestions for improvement where appropriate.</i></p>	
<p><b>Reporting of Statutory Planning Application Data</b>  <i>Review to assess the accuracy and timeliness of statutory data published in respect of planning applications.</i></p>	

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<p><b>Section 106 Agreements and Funds (to include CIL)</b>  <i>Audit to revisit area following implementation of Exacom to ensure recommendations from previous audit have been actioned.</i></p>	
<p><b>Asset Management and Commercial Property</b>  <i>Follow-up assurance review of the audit completed in 2020/21.</i></p>	
<p><b>Mechanism for Charging Councils</b>  <i>Assessment of the revised framework for the recharging of Publica services to the Council(s) to include Support Cost Recharges and Contract Variations.</i></p>	
<p><b>Monitoring the Performance of Strategic Partnerships</b>  <i>Non-opinion review to assess how the Council monitors performance and risks of strategic partnerships.</i></p>	
<p><b>Publica Performance Information</b>  <i>Analysis of performance information presented to the Council.</i></p>	
<p><b>Recovery Investment Strategy</b>  <i>Support to the Council on the Recovery Investment Strategy.                      Scope to be confirmed.</i></p>	
<p><b>Election Expenses</b>  <i>Review to ensure election expenses are appropriately processed, including the treatment of VAT.</i></p>	
<p><b>Emergency Planning</b>  <i>Review of The Council's Emergency Planning. Audit to include procedures, co-ordination team stand-up / stand-down triggers, communication within teams etc to gain assurance that the framework is strong to support communities when any future emergency occurs.</i></p>	
<p><b>Ubico</b>  <i>Support in respect of undertaking due diligence on Ubico's Business Case for the introduction of a new shareholder.</i></p>	
<p><b>Ubico</b>  <i>Service Improvement Programme.                      Scope to be confirmed.</i></p>	
<p><b>Return to Work (following the easing of Lockdown Restrictions)</b>  <i>Assessment of the approach for ensuring the safety of officers when returning to the offices as and when restrictions are lifted.</i></p>	
<p><b>Business Grant Post Payment Assurance</b>  <i>Post payment assurance on business grants applied for, and paid, during December 2020 – March 2021.</i></p>	
<p><b>Covid-19 Related Assurance</b>  <i>Provision to allow for any assurance work required in respect of Covid-19.</i></p>	

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<p><b>Further requested assurance / advisory / support work, as required which could include any Covid-19 related matters</b></p>	
<p><b>Other Audit Involvement</b></p>	
<p><b>Management</b>  <i>Preparation of IA Monitoring Reports and preparation and attendance at Audit, Compliance and Governance Committee. Annual Audit Planning. Attendance at Governance and Risk Groups. High level programme monitoring. Liaison meetings with CFOs and Management Teams.</i></p> <p><b>Follow-Up Audits</b>  <i>Follow-Up of Previous Year's recommendations.            Follow-Up audit of all High Priority Recommendations.</i></p> <p><b>Grant Certification</b>  <i>Review (income and expenditure) and certification of Disabled Facilities Grants and Additional Funding, ensuring finding requirements have been met.</i></p> <p><b>Working with the Counter Fraud Unit</b>  <i>Provision to ensure collaborative working with the CFU and to ensure control weaknesses, identified during CFU activity, are being actioned. Regular liaison meetings.</i></p> <p><b>Contingency</b>  <i>Provision for new work based on emerging risks and Investigations.</i></p>	