

Internal Audit Plan

2022-23

Tandridge District Council



**Southern Internal
Audit Partnership**

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Introduction

The role of internal audit is that of an:

'Independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.

The aim of internal audit's work programme is to provide independent and objective assurance to management, in relation to the business activities; systems or processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and
- risk to the achievement of the Council's objectives is identified, assessed and managed to a defined acceptable level.

The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

Internal Audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the Corporate Management Team and Audit Sponsors, to ensure it continues to reflect the needs of the Council. Amendments to the plan will be identified through the Southern Internal Audit Partnership's continued contact and liaison with those responsible for the governance of the Council.

Your Internal Audit Team

Your internal audit service is provided by the Southern Internal Audit Partnership. The team will be led by Neil Pitman, Head of Southern Internal Audit Partnership and Natalie Jerams, Deputy Head of Southern Internal Audit Partnership, supported by Joanne Barrett, Audit Manager.

Conformance with internal auditing standards

The Southern Internal Audit Partnership service is designed to conform to the Public Sector Internal Audit Standards (PSIAS). Under the PSIAS there is a requirement for audit services to have an external quality assessment every five years. In September 2020, the Institute of Internal Auditors were commissioned to complete an external quality assessment of the Southern Internal Audit Partnership against the PSIAS, Local Government Application Note and the International Professional Practices Framework.

In selecting the Institute of Internal Auditors (IIA) a conscious effort was taken to ensure the external assessment was undertaken by the most credible source. As the authors of the Standards and the leading Internal Audit authority nationally and internationally the IIA were excellently positioned to undertake the external assessment.

In considering all sources of evidence the external assessment team concluded:

'It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles. We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'

Conflicts of Interest

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.

Council Strategic Plan 2020-21 / 2023-24

Tandridge District Council have developed a Strategic Plan for 2020-21 to 2023-24 setting out four key priorities:

1. **Building a better Council** - making the Council financially sustainable and providing residents with the best possible services.
2. **Creating the homes, infrastructure and environment we need** – both now and in the future.
3. **Supporting economic recovery in Tandridge** – from lockdown to growth that everyone benefits from.
4. **Becoming a greener, more sustainable District** – tackling climate change.

Council Risk

The corporate risks assessed by the Council are a key focus of our planning for the year to ensure it meets the organisation's assurance needs and contributes to the achievement of their objectives. We will monitor the corporate risk register closely over the course of the year to ensure our plan remains agile to the rapidly changing landscape.

Score	Risk Description
16	P2- Local plan is found unsound by the Inspector.
16	SR1 - Lack of resources constrains the Council's "business as usual" capacity.
16	P3 - Lack of capacity in Planning Department negatively impacts performance and delivery of service, such as determining applications in statutory timeframes and managing complaints and FOIs.
12	SR3 - Inability of Council to make savings as identified in the Medium Term Financial Strategy and to balance the Council Budget in 2021/22 and 2022/23.
12	6 - Inability to carry out waste collection service in-line with the performance management framework.
12	SR4 - Resources unavailable to progress climate change action plan in set timescales.
9	SR5 - Senior management vacancies inhibit corporate performance and improvement.
8	P17 - The Planning Transformation fails to deliver its objectives within set timescales.
8	SR10 - Lack of robust and up-to-date safeguarding policies and procedures in place.
8	SR9 - The Tandridge Financial Transformation fails to deliver its objectives.
8	SR16 - The Council fails to improve its governance framework in line with internal audit observations and other planned improvements to corporate governance.
4	SR14 - Loss of some ICT systems and data due to disaster recovery solution not being in place.

*Corporate Risks as of January 2022

Developing the Internal Audit Plan 2022-23

We have used various sources of information and discussed priorities for internal audit with the following groups:

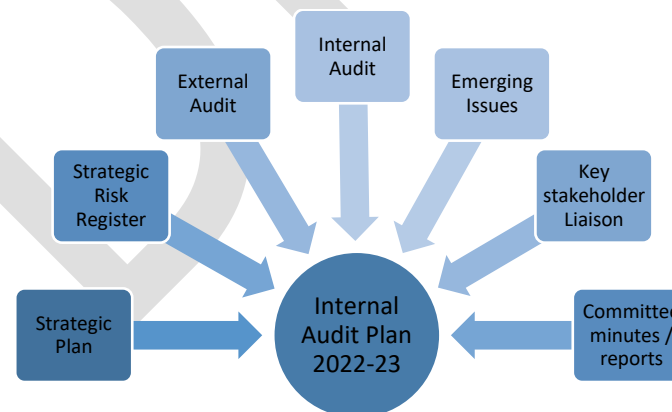
- Extended Management Team
- Chief Finance Officer (S151 Officer)
- Executive Heads of Service
- Audit & Scrutiny Committee
- Other key stakeholders as required

In accordance with the Public Sector Internal Audit Standards there is a requirement that Internal audit establish a risk-based audit plan to determine the resourcing of the internal audit service, consistent with the organisation's goals.

Based on conversations with key stakeholders, review of key corporate documents and our understanding of the organisation, the Southern Internal Audit Partnership have developed an audit plan for 2022-23.

The Council are reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not seek to cover all risks and processes within the organisation.

We will however continue to work closely with other assurance providers to ensure that duplication is minimised, and a suitable breadth of assurance is obtained.



Internal Audit Plan

Audit Review	Audit Sponsor	Indicative Scope	Strategic Risks	Proposed Timing
Governance				
Savings Realisation	CFO	To assess realisation and delivery of savings target / initiatives.	SR1, SR9, SR3	Q4
Health and Safety	EHofC	Effective H&S strategy in place and operating effectively with effective governance, accountability and issue resolution. To incorporate statutory checks.	SR16	Q3
Risk Management	EHofCR	Assurance over the risk management framework including governance, transparency and maturity.	SR16, SR5	Q4
Human Resources & Organisational Development	EHofCR	<p>Weak or ineffective internal control leading to financial loss resulting in damage to the Council's reputation and adverse publicity.</p> <p>Assurances over the audit cycle:</p> <ul style="list-style-type: none"> • Performance Management • Absence management • Recruitment and induction • Training & Development • Workforce Strategy / Development • Flexible Working • HR policies and procedures • Agency staff, volunteers. • Staff wellbeing & mental health <p>2022/23 focus to include recruitment & induction and workforce strategy/development.</p>	SR5, SR1	Q2
Annual Governance Statement	HofL	Cyclical assurance over the governance arrangements to compile, contribute and deliver the AGS.	SR16	Q3

Audit Review	Audit Sponsor	Indicative Scope	Strategic Risks	Proposed Timing
IT				
IT Business Continuity	EHofCR	Disaster recovery, system resilience.	SR14	Q2
Core Financial Reviews				
Accounts Payable	CFO	Cyclical review of core financial systems		Q3
Accounts Receivable/Debt Management	CFO			Q3
Main Accounting	CFO			Q2
Payroll	EHofCR			Q4
Treasury Management	CFO			To review the new Treasury Management arrangements with SCC.
Service Reviews				
Operational Services	EHofC	To review arrangements for the management of the Depot (including stock control), street cleansing, grounds maintenance, parks & open spaces etc. 2022/23 scope to be grounds maintenance.	SR1	Q2
Environmental Health & Licensing	EHofC	Shared Service with MVDC. Assurance over governance and accountability.		Q1
Disabled Facility Grants	EHofC	Administration and compliance with local / legislative requirements.		Q1
Other				
Follow up		<p>To follow up on the key observations raised for a number of “limited assurance” reviews to ensure actions have been fully implemented and embedded. Reviews will include:</p> <ul style="list-style-type: none"> • Cyber Security • IT Asset Management • NNDR 	SR16	Q4

Audit Review	Audit Sponsor	Indicative Scope	Strategic Risks	Proposed Timing
		<ul style="list-style-type: none"> • Building Control • Grants Register • Information Governance. 		
Management		To include annual planning, reporting and attendance at Management Team and Audit & Scrutiny Committee, action tracking, liaison with key stakeholders and annual report and opinion.		Q1-4
Commissioned days				170
Total plan days for 2022/23				160
Plan variation (to take into account additional plan days in 2021/22)				(10)