

Report of the Director of Finance and IT to the meeting of the Governance and Audit Committee to be held on 22 April 2021.

AK

Subject:

INTERNAL AUDIT PLAN 2021/22

Summary statement:

This report outlines the Internal Audit Plan for the financial year 2021/22. The delivery of the audit plan will assist with risks within the systems reviewed being managed to an acceptable level through improvement in internal control.

The 2021/22 Internal Audit plan is the fourth year of a five year internal audit planning cycle which is detailed in the report. In previous years the plan would have included the full five year cycle however due to current uncertainty this year's plan consists of a single year programme.

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Director of Finance and IT

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Portfolio:

**Corporate
Improvement Area:**

Corporate

1. SUMMARY

- 1.1 The purpose of this report is to inform the Governance and Audit Committee of the Internal Audit Plan for the financial year 2021/22, giving the Committee the opportunity to contribute to the plan. It demonstrates where Internal Audit adds value to the Council by providing independent and objective assurance of risks to internal control within the Council's systems and processes. The Audit Plan reflects internal stakeholders' needs and the expected needs of the Council's external auditors for 2021/22.
- 1.2 The delivery of the audit plan will assist with risks within the systems reviewed being managed to an acceptable level through improvement in internal control.

This Internal Audit Plan is the fourth year of a five year internal audit planning cycle and details the work planned for the financial year 2021/22. In previous years the plan would have included the full five year cycle however due to current uncertainty this year's plan consists of a single year programme. At the moment this is expected to be a temporary measure but the requirements will be reviewed for the 2022/23 Internal Audit Plan.

2. BACKGROUND

Internal Audit Plan 2021/22

- 2.1 The Council's Constitution gives the Governance and Audit Committee the responsibility of approving the Internal Audit Plan.
- 2.2 The Internal Audit Plan details the work planned for the 2021/22 financial year. The plan demonstrates that Internal Audit's resources are managed effectively and that the coverage is appropriate to allow the Head of Internal Audit, Insurance and Risk to gain sufficient evidence to be able to form an opinion on the internal control systems of the Council that it has reviewed. The opinion must be based on a balance of work so that the internal control environment, the risk management and governance arrangements of the authority can be assessed.
- 2.3 The current plan is based on a five year plan that was redesigned for 2018/19 to 2022/23. The five year plan re-examined the risks of the authority as stated in the corporate risk register and the financial flows to ensure that internal audit resources are directed appropriately and that the Council's assurance processes are maintained. The five year plan has included contributions from departmental management teams and has also been subject to consultation with Council Management Team. It is the case that there will always be a shortfall of resources against the planned work required. Consequently, it is expected that not all planned audits in the five year plan are deliverable and the Service will have to prioritise the use of its resources in producing the individual annual audit plans.
- 2.4 Performance will be reported to the Governance and Audit Committee in the Internal Audit Half Year Monitoring statement in November 2021 and in the Annual Audit Report in June/July 2022.
- 2.5 The 2021/22 audit plan will enable the Head of Internal Audit, Insurance and Risk to form an opinion at the end of the year on the Council's control, risk and governance arrangements. The 2021/22 audit plan has been developed to show clearly how the work planned will contribute to forming audit conclusions on control, risk and governance that will feed into the year end opinion.

3. OVERVIEW AND SCRUTINY COMMITTEE CONSIDERATION

3.1 Not Applicable.

4. OTHER CONSIDERATIONS

4.1 There are no other considerations.

5. OPTIONS

5.1 Not applicable.

6. FINANCIAL AND RESOURCE APPRAISAL

6.1 There are no direct financial consequences arising from this report. The work of Internal Audit adds value to the Council by providing management with an assessment on the effectiveness of internal control systems, making, where appropriate, recommendations that if implemented will reduce risk.

7. RISK MANAGEMENT AND GOVERNANCE ISSUES

7.1 The work undertaken within Internal Audit is primarily concerned with examining risks within various systems of the Council and making recommendations to mitigate those risks. The key risks examined in our audits are discussed with management at the start of the audit and the action required from our recommendations is verified as implemented by Strategic Directors.

7.2 The Covid crisis has significantly increased the risks facing the Council across its service delivery functions and its community responsibilities across the District. Internal Audit will be reviewing these risks in accordance with the plan. From a governance perspective there is the risk that internal controls may not operate normally with the same degree of management oversight and Council scrutiny. It is essential that management maintain appropriate controls in place to ensure value for money is achieved and the financial resilience of the authority continues. Internal Audit will be making an ongoing assessment of the control environment and where required completing specific work to rectify any identified control weaknesses.

8. LEGAL APPRAISAL

8.1 The Accounts and Audit Regulations 2015 requires the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. The Council achieves this by complying with the Public Sector Internal Audit Standards (PSIAS), which it does by following the CIPFA Local Government Application Note. The Internal Audit Plan needs to be approved by the Governance and Audit Committee to ensure compliance with the PSIAS.

9. OTHER IMPLICATIONS

9.1 Equality and Diversity

The Audit Plan seeks assurance that the Council fulfils its responsibilities in accordance with its statutory responsibilities and its own internal guidelines. When carrying out its work

Internal Audit will review the delivery of service to ensure that either appropriate charges have been made or that the service provided is in accordance with the formal decision making process of the Council.

9.2 **Sustainability implications**

When reviewing Council Business Internal Audit will be examining the sustainability of the activity and to ensure that mechanisms are in place so that services are provided within the resources available.

9.3 **Greenhouse Gas Emissions Impacts**

There are no direct impacts on Gas Emissions.

9.4 **Community safety implications**

There are no direct community safety implications.

9.5 **Human Rights Act**

There are no direct Human Rights Act implications.

9.6 **Trade Union**

There are no implications for the Trade Unions arising from the report.

9.7 **Ward Implications**

Internal Audit will undertake specific audits through the year which will ensure that the decisions of council are properly carried out.

9.8 **Implications for Corporate Parenting**

None

9.9 **Issues Arising from Privacy Impact Assessment**

None

10. **NOT FOR PUBLICATION DOCUMENTS**

10.1 None

11. **RECOMMENDATIONS**

11.1 That the Committee reviews and approves the Internal Audit Plan for 2021/22.

12. **APPENDICES**

12.1 Appendix 1 – Internal Audit Plan 2021/22.

13. **BACKGROUND DOCUMENTS**

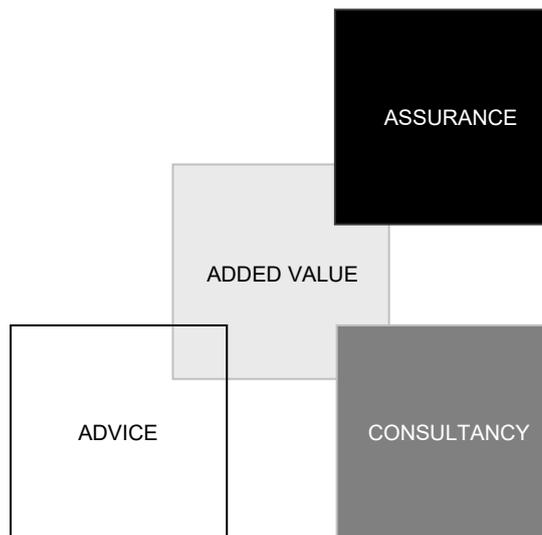
- 13.1 Accounts and Audit Regulations 2015.
- 13.2 Public Sector Internal Audit Standards 2017.
- 13.3 The CIPFA Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards 2019 Edition.

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Internal Audit



INTERNAL AUDIT PLAN 2021/22



DEPARTMENT OF CORPORATE RESOURCES

INTRODUCTION

One of the requirements of the “Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note” is that an Annual Internal Audit Plan is produced and approved by the Governance and Audit Committee. Compliance with the PSIAS and the Local Government Application Note is a requirement of the Accounts & Audit Regulations 2015.

The plan has been developed in consultation with Chris Chapman, the Director of Finance and IT and the Strategic Directors for each Department along with their management teams. In order to prevent duplication of work and to ensure that the required audit assurances on the Council’s financial systems are provided, the 2021/22 plan will be shared, as is normal practice, with the Council’s external auditors. Internal Audit is committed to maintaining a strong working relationship with External Audit co-planning the internal and external audit programmes as required. Regular meetings will be held with the External Auditors throughout the year in order to share mutually beneficial information relating to risks and controls.

This Internal Audit Plan details the work planned for the financial year 2021/22.

Mark St Romaine

Head of Internal Audit, Insurance and Risk

April 2021

Circulation:

Members
Chris Chapman
Cameron Waddell
All Staff

Governance and Audit Committee
Director of Finance and IT
Director and Engagement Lead, Mazars
Internal Audit

1. KEY AIMS

- 1.1 Internal Audit's role is to independently review, evaluate and report upon the internal control procedures that management have established, both in financial and non-financial systems and make appropriate recommendations whenever controls are found to be missing, excessive or not operating effectively.
- 1.2 Internal Audit will assess and make appropriate recommendations to improve the organisation's governance processes for:
- making strategic and operational decisions
 - overseeing risk management and control
 - promoting appropriate ethics and values within the organisation
 - ensuring effective organisational performance management and accountability
 - communicating risk and control information to appropriate areas of the organisation, and
 - coordinating the activities of and communicating information among CMT, Governance and Audit Committee, external and internal auditors, other assurance providers and management
- 1.3 Internal audit activity will evaluate risk exposures and the effectiveness of control relating to the organisation's governance, operations and information systems regarding the:
- achievement of the organisation's strategic objectives
 - reliability and integrity of financial and operational information
 - effectiveness and efficiency of operations and programmes
 - safeguarding of assets, and
 - compliance with laws, regulations, policies, procedures and contracts
 - occurrence and management of fraud risk
- 1.4 Overall Internal Audit undertakes the following functions:-
- a) The continuous, systematic and structured review of the soundness, adequacy and application of the Council's internal control systems in accordance with the audit plan.
 - b) Receiving notifications of all suspected or known losses or irregularities concerning cash, property, stores or other financial matters.
 - c) Undertaking management reviews and reporting the findings to management for them to take the appropriate course of action.
 - d) Reviewing and advising upon developing systems.
 - e) Providing advice on financial systems, procedures, regulations, corporate governance issues and risk management.
 - f) Contributing to the Council's objectives and best value whenever possible

2. RESOURCES AVAILABLE

- 2.1 The total net resources available to Internal Audit are 2370 person days (8.9 FTE) which is significantly more than the 1839 days (7.1 FTE) available in 2020/21. The net increase is due to Internal Audit capacity being available for a full year in 2021/22, whilst in 2020/21 it was available for only nine months due it being deployed in the first three months in support of the Council's response to the Covid 19 pandemic. These resources will enable the Internal Audit Opinion to be supported by sufficient evidence.

3. INTERNAL AUDIT PLAN SUMMARY 2021/22

- 3.1 The summary of the Internal Audit Plan for 2021/22 in person days, by type of audit activity, is shown in Appendix A. The Plan initially showed a resourcing gap of 859 days, which was subsequently balanced after undertaking a prioritisation process (see 5.10 for more details).
- 3.2 This resource gap is due to several factors including an expectation that Internal Audit will continue to be required to support the Council Response to the Covid 19 crises, a significantly higher amount of unused annual leave is being carried forward into 2021/22 than in prior years, and a sizeable contingency has been allowed for to cater for unplanned audit work that may need to be done during 2021/22. The increase in unplanned work will be realised as services revert to any new ways of working post Covid, new risks are identified and if internal control environments needs re-evaluation. Contingency will also be used to resource work on any new grant claims that are required.
- 3.3 During the year progress against the audit plan will be regularly monitored to ensure that audit resources are efficiently and effectively deployed. The performance will be reported to the Governance and Audit Committee in the Internal Audit Half Year Monitoring statement in November 2021 and in the Annual Audit Report in June/July 2022. These reports will also be presented to Council Management Team.

The majority of assignments will be completed during the year but as is normal working practice some will inevitably be finalised in the following financial year.

The annual plan may change during the year, subject to capacity constraints, to reflect any significant events or new risks that occur through the year.

4. INTERNAL AUDIT PLANNED WORK

- 4.1 An audit risk assessment is undertaken annually on all individual systems throughout the Council. The assessment takes into account a wide number of factors such as financial value, whether the systems operating have changed, Corporate Governance requirements, Corporate and Directors' priorities, prior audit assurance and known areas of concern.

The risk assessment drives the annual audit plan which enables Internal Audit to perform the necessary controls assurance work on the Council's core systems and processes.

The Internal Audit Plan has been designed so that the Head of Internal Audit can provide an opinion which assesses the internal control environment, the risk management and governance arrangements of the authority.

- 4.2 The current audit plan is based on a five year plan that was redesigned for 2018/19 to 2022/23. The five year plan re-examined the risks of the Authority as stated in the corporate risk register and the key financial flows as stated in the financial ledger, to ensure that Internal Audit resources are directed appropriately and that the Council's assurance processes are maintained. The five year plan has included contributions from departmental management teams and has also been subject to consultation at Council Management Team.

5. BREAK DOWN OF AUDIT ACTIVITY

The following sections provide the detailed breakdown of the major productive areas covered in the Internal Audit Plan, by audit activity type, together with an indication of some of the key considerations in each area.

5.1 Service Assurance Based Internal Audit Activity

PSIAS require Internal Audit to take a broader view on the Council's business risks and objectives. In order to facilitate this, Internal Audit will review the control environment supporting the Council's Corporate risks. An assurance mapping exercise was performed on the Council's Corporate risk register to identify the possible work Internal Audit could complete to benefit the Council.

This was used to produce the five year audit plan, aiming to provide a broader view of audit coverage, as there is provision in the plan to perform audits that will look at controls which focus on organisational issues and the Council Plan as well as financial issues. These audits will, on a cyclical basis, focus on providing assurance on a sample of the corporate risks as stated in the corporate risk register.

The preliminary areas to review in 2021/22 are:

COVID 19 Multiple Outbreaks
Maintenance of Business Continuity Capacity/BCM Critical Facilities
Quality Accessible and Affordable Housing/Inadequate Housing Supply
SEND Services
Market Challenges Resilience & Opportunities
Children's Inspection Outcome

In addition, the audit plan will look to deliver more service assurance based internal audit activity than in previous years. These are included within the significant systems area of the plan, see Appendix D.

5.2 Fundamental Financial Systems

The work undertaken by Internal Audit helps the Director of Finance and IT and External Audit to fulfil their statutory responsibilities. Fundamental financial systems are those systems that have a material impact on the Council's accounts, for example Council Tax. These audits ensure that there are adequate controls to support the Annual Governance Statement and influence the level of External Audit testing.

Appendix A shows that a total of 267 days has been allocated to fundamental financial systems work for 2021/22. This is an increase of 14% on the 234 days allocated in 2020/21.

The approach to auditing fundamental financial systems centres on in depth auditing, on a five year cycle, of the controls operating within an element of the fundamental financial systems. This is the prime basis of the Head of Internal Audit Insurance and Risk's assurance statement. Details of the fundamental financial systems and their cyclical coverage are shown in Appendix C.

5.3 Significant Systems

The audit risk assessment identifies all the significant audit risks. The work on significant systems of the Council, which are operational within Services, such as Deputyships, Early Help and Prevention, Licensing and Health & Safety supports the Head of Internal Audit, Insurance and Risk's assurance statement on the internal control systems of the Council. Significant systems represent the largest area of audit activity due to their number, complexity and diversity. On a five year cycle, Internal Audit aims to cover all of the Council's significant systems.

Details of the coverage of core significant departmental systems including schools are shown in Appendix D.

Appendix A shows that 324 days has been allocated to significant systems work for 2021/22, which is a slight decrease on the 332 days allocated in 2020/21.

5.4 School Audits

Schools operate under delegated financial and governance arrangements and have responsibility for significant resources. The audit plan each year includes time for the review of the systems within schools, and supporting schools.

In 2020/21, reduced access to school premises resulting from the response to Covid-19 caused Internal Audit to change its audit approach to one involving remote working. This was developed and successfully implemented in the second half of 2020/21 and will continue to be followed in 2021/22, being reviewed and revised as circumstances and practices allow.

Internal Audit's changed approach to providing assurance that Council maintained schools were managing their finances effectively initially involved issuing schools with a self-assessment checklist, to examine 21 expected controls, associated with six key system areas. These expected controls, which are the same as those that are considered during an on-site full school audit, would enable the school to assess its own current day to day financial practices. In 2020/21 72 self-assessment checklists were issued, all of which were signed and returned. The self-assessment questionnaire will again be utilised in 2021/22 but for a significantly smaller number of schools.

The next phase of the remote audit approach involved a number of schools being selected, based on factors that identify them as presenting higher financial risk such as the level of support needed from the Council's School Funding Team, work undertaken by School Improvement in Children's Services, or other relevant information known about a school, including the date of its last audit. Twenty schools are planned to be selected in 2021/22.

The position regarding academy conversions will continue to be monitored throughout 2021/22 to ensure audit resources are focussed appropriately in the context of this changing landscape.

In addition to school audits, there is an allocation of time relating to confirming compliance with the Schools Financial Value Standard, (SFVS), an Education & Skills Funding Agency initiative, (sitting within the DfE), currently consisting of 29 questions which school Governing Bodies must discuss annually with their Heads and Senior Staff, to give them assurance that they have secure financial management in place. All maintained schools, except those that meet certain exception criteria, are required to complete an annual SFVS assessment and return it to the Council, usually by the 31st March each year. Due to Covid-19 the deadline for submitting 2020/21 SFVS returns has been extended to the 28th May 2021.

The SFVS scheme also places a requirement on the Council's Director of Finance & IT, as S151 officer, to have in place a system of audit for schools which gives adequate assurance over standards of financial management and to consider SFVS returns received when setting the audit plan for schools. The numbers of returns received by the deadline also informs an annual position statement declared by the Director of Finance & IT to the DfE. The deadline has been extended to 9th July 2021 for the 2020/21 SFVS returns. There is an allocation of time within the plan for analysis of the assessments received in order to inform this year's school audit plan and also to provide additional financial management assurance.

Completion of the SFVS is the responsibility of individual schools, however there is an allocation of time within the audit plan to provide schools with training support on the consideration and completion of their SFVS assessments. This has historically proved to be an effective use of audit resources as good practice on financial management principles can

be disseminated to many schools during one training session but this was not possible in 2020/21, other than by traditional remote methods of communication on an individual school basis. Positive feedback has been received from delegates on training delivered to date and it is hoped that effective mass training can be re-introduced in 2021/22. The current SFVS scheme is still relatively new to schools, being introduced by the DfE in 2019.

Appendix A shows that the number of resources allocated to schools work for 2021/22 is 220 days, which is an increase of 35% on the number of days that were allocated for schools' audit work in 2020/21 (155 days).

5.5 Computer Audit

A total of 60 days has been allocated to computer audit in 2021/22, which is consistent with the days allocated in 2020/21. Computer audit services are provided to Bradford Council by Salford Council Internal Audit Services for which there is a three years contract from 1/10/19 to 30/9/22. The Computer audit plan that covers this period is shown in Appendix F.

5.6 Grants

There are no significant differences in the number of grants and funding streams known to require certification in 2021/22 compared to 2020/21, although, as in previous years there is always potential for Internal Audit to receive notification of new grant certifications during the year.

Grant work has been allocated 71 days within the 2021/22 plan to complete the certifications listed below.

Cycle City Ambition Grant 2020/21
Pot Hole Action Fund Grant 2020/21
National Productivity Investment Fund Grant 2020/21
WYCA Local Transport Block Funding Grant 2020/21
West Yorkshire Plus Transport Fund Grant 2020/21
Local Highways Maintenance Fund Grant 2020/21
Families First (Troubled Families Funding) 2021/22
Disabled Facilities Grant 2020/21
PE & Sport Grant 2020/21
Local Authority Bus Subsidy Grant 2020/21

5.7 Follow Up Audits

The Chief Executive and Strategic Directors have the responsibility, in accordance with Financial Regulations, to ensure that the agreed action on Internal Audit report recommendations has been implemented; and on an annual basis Internal Audit seek written confirmation of the level of progress of implementation.

Follow up of Recommendations issued to 31 December 2020 will commence in April 2021. Due to the repercussions of Covid 19 it is anticipated that the progress in implementing agreed recommendations is likely to have been delayed and that target dates for implementation will have to be revised, and some recommendations may now be unmanageable in their current form or even no longer relevant. Assessing the status of the recommendations will help form an opinion of the control framework across the council as a whole. Narrative to support the current status of implementation will be sought and wherever possible supporting evidence obtained. Further follow up of recommendations not fully implemented and recommendations issued after 31.12.20 will be carried out through the year.

Appendix A shows that the number of resources allocated to follow ups in 2021/22 remains at 45 days to reflect the support that Internal Audit will provide to service managers to assist in the timely implementation of recommendations.

5.8 Advice & Controls Awareness

Advisory and control awareness work is mainly demand led and includes provision for advice on business issues. An allocation of 111 days has been made for this work in 2021/22, which is an increase of 34% on the 83 days allocated in 2020/21.

5.9 Consultancy & Project Assurance

In 2019/20 the Service was looking to develop its approach to Consultancy and Project Assurance however this work was not able to continue last year. There are no days in the 2020/21 plan for this area however if the opportunity arises Internal Audit will aim to provide insight, assurance and advice on areas of change. If significant the contingency will be used to resource the programme.

5.10 Audits Deferred from the 2021/22 Plan

In order to bridge the resourcing gap of 859 days a number of audits were removed from the Original Internal Audit Plan 2021/22 to match the level of available resources. The majority of the reduction to produce the Internal Audit Plan for 2021/22, came from the Fundamental Systems (265 days) and Significant Systems (344 days) areas of the audit plan, as these are the largest audited areas. These deferred audits have not yet been allocated across future years This position will be reviewed for the 2022/23 plan.

6. WEST YORKSHIRE PENSION FUND (WYPF)

The WYPF Internal Audit Plan (see Appendix E) is for 255 days commissioned work that is split between investments and the administration of pensions. The number of days was increased from 170 in previous years to 255, from 2018/19, at the request of the WYPF Financial Controller, due primarily to increasing risk as a result of the Northern LGPS and also an increase in activity in shared services to other Pension Funds such as Lincolnshire Pension Fund, London Borough of Hounslow Pension Fund, London Borough of Barnet and Fire and Rescue Services. During 2021/22, Internal Audit will continue to use some of the extra days to increase sample sizes used in testing controls. This is due to an increase in shared service partners such as the London Borough of Barnet and further Fire and Rescue Services during 2020/21. This allows Internal Audit to provide a level of assurance on transactions in respect of the shared service partners without diluting the assurance provided for the WYPF. The extra days provided to the WYPF achieves additional income to Internal Audit of approximately £30K.

The volume and value of transactions is used to initially determine the frequency of an audit and necessitates that some of the key financial systems are reviewed more frequently than others. Consideration is also given to the significance of previous recommendations made, new legislation, new systems and the Director's priorities. The timing or frequency of an audit may change if a system is changed or Internal Audit is asked to bring forward a specific audit or has specific concerns. If new systems are introduced these will be prioritised to be audited once the system is embedded.

Investments

Equities are audited every year due to the value of the investments, (67.8% of WYPF's market value at 31.12.19). Other asset classes are audited on either a three or five yearly basis dependent on risk considerations.

Treasury Management is currently being audited on an annual basis following the banking crisis and the increased risk to cash holdings. The Financial Controller has also requested that we carry out a Quality Check on the WYPF statement of accounts on an annual basis.

A further piece of collaborative audit work with the Northern LGPS, the collective investment pool, will take place as part of the 2021/22 Internal Audit Plan.

Pensions

Ensuring that New Pensions and Lumps Sums are correctly calculated and paid is crucial to the success of the system because all future payments are based on this calculation. Therefore this area is audited annually, using a different pensioner type each year.

Local Government Scheme Contributions is audited every two years. Transfers In is audited on a three yearly basis whilst Purchase of Additional Pension is audited once in every 5 years.

All of the other pension audits occur at least once in every five years subject to agreement with the Financial Controller on an annual basis.

Contingency

The WYPF Internal Audit Plan also contains a contingency to accommodate requests for additional work during the year.

7. COMPLIANCE WITH PUBLIC SECTOR INTERNAL AUDIT STANDARDS

In order to comply with Public Sector Internal Audit Standards the Service should adopt a Quality Assurance Improvement Plan (QAIP). In 2021/22 this plan will be focus on ensuring the Service is able to work effectively and provide the required assurances as the Council responds to the current environment. This will include determining how auditors are best able to work whilst complying with social distancing or any other required safety procedures.

The 2021/22 audit plan will enable the Head of Internal Audit, Insurance and Risk to form an opinion at the end of the year on the Council's control, risk and governance arrangements. The audit plan has been developed to show clearly how the work planned will contribute to forming audit conclusions on control, risk and governance that will feed into the year end opinion.

The Head of Internal Audit is not involved in audits where they have had either existing or previously held operational responsibility. If an audit is undertaken of Risk Management or Insurance the reports are reviewed by an Audit Manager and reported directly to the Director of Finance and IT to avoid a conflict of interest.

INTERNAL AUDIT PLANS FOR 2021/22 AND 2020/21 BY AUDIT ACTIVITY

	2020-21 Plan From 1 st July 2020	2021-22 Plan From 1 st April 2021
	2020-21	2021-22
Full Time Equivalents (net of leave & public holidays)	7.1	8.9
	Days	Days
Fundamental Financial Systems	234	267
Significant Systems	332	324
Strategic & Departmental Risks/Council Plan	45	80
Schools	155	220
Computer Audit	60	60
Grants	71	71
Follow-up Audits	45	45
Advice & Control Awareness	83	111
Consultancy/Project Assurance	80	0
West Yorkshire Pension Fund	255	255
Administration	154	205
Management: Plan Delivery	156	208
Management: Technical	35	46
Training	63	85
Non-Audit Functions	33	54
Covid 19 Support	0	180
Contingency Provision	38	159
TOTAL PRODUCTIVE TIME	1839	2370

PSIAS Standards Alignment

The Public Sector Internal Audit Standards require the Head of Internal Audit to deliver an annual internal audit opinion that concludes on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

The 2021/22 annual audit plan, Appendices B to E, indicates how it contributes to the forming of the annual audit opinion conclusions on control, risk and governance as follows:

- C = Control
- G = Governance
- R = Risk Management

CORPORATE RISKS / COUNCIL PLAN– PLANNED COVERAGE 2021-22

	AUDIT	Audit Plan Year
PSIAS		2021-22
R	COVID 19 Multiple Outbreaks	x
	Council Plan	
	Financial Resilience and Sustainability/Financial Contributions from Health	
	Children's Safeguarding Incident	
	Environment and Sustainability/Climate Change	
	Information Security	
R	Maintenance of Business Continuity Capacity/BCM Critical Facilities	x*
	Governance Breakdown	
R	Quality Accessible and Affordable Housing/Inadequate Housing Supply	x*
	Delivering Economic Growth	
R	SEND Services	x
	Delivery of Skills and Training Priority	
	Adults Social Care Transformation/ Adults Demographic Change	
	Educational Attainment	
	Maintenance of Cohesive Communities/Safer Cohesive Communities	
R	Market Challenges Resilience & Opportunities	x
R	Children's Inspection Outcome	x

x* = audit deferred from prior year plan/audit in prior year plan with majority of work done this year

FUNDAMENTAL SYSTEMS – PLANNED COVERAGE 2021-22

		AUDIT PLAN YEAR
PSIAS	Fundamental System	2021-22
	Council Tax/NNDR	
	Valuation/Liability/Billing/Collection/Refunds (Council Tax Only in 20-21)	
C, R	Enforcement & Write Offs	x
	Business Support Grant Post Fraud Assurance/Recovery Work	
	Benefits	
C, R	Housing Benefit	x*
	Discretionary Housing Benefits	
	Free School Meals	
	Overpayments	
	Accounts Receivable	
	Invoicing	
C, R	Enforcement, Refunds & Write Offs	x
	Accounts Payable	
C, R	Requisitioning/Ordering/Receipting	x
C, R	Payments including feeder files and miscellaneous payments	x*
C, R	Supplier Maintenance	x*
	Procurement	
	Corporate Contracts & Frameworks	
	IR35	
	Agency Spend	
	Contract Management Review	
C, R	Procurement Processes (Quotes, Tenders, Contracts Award) incorporating Social Value and Inclusive Growth	x*
C, R	Purchase cards	x*
	Third Sector Contracts	
	Contract Variations	
	Supplier Relief Review	
	Payroll	
C, R	Starters & Leavers*	x
C, R	Certification of Pension Contributions	x
	Payroll Processing including temporary & permanent variations, voluntary deductions, salary sacrifice, statutory payments and Apprenticeship Levy	
C, R	External Payroll Provision including billing for salary costs	x*
	Expenses and Allowances	
	Third Party Payments	
	* alternate between Schools and Council	

		AUDIT PLAN YEAR
PSIAS	Fundamental System	2021-22
	Cash, Banking, Investments and Loans	
C, R	Cash income (collection, banking, management/governance)/Capita cash receipting system	x
	Bank reconciliation/unallocated cash	
	Cash Purchasing	
	Investments and Loans	
	Treasury Management	
	Budgetary Control	
C, R	Budgetary control	x*
	Capital	
	Accuracy of Asset Management register (CAFM): Revaluations, additions and disposals	
	Capital Programme	
C, R	Capital Schemes	x
C, R	Final accounts review	x*
	Human Resources	
	Flexitime / Timerecording	
	Sickness Absence	
	All Fundamental Systems	
C, R	Controls Assurance work post Covid 19	x*

x* = audit deferred from prior year plan/audit in prior year plan with majority of work done this year

CORE DEPARTMENT SYSTEMS INCLUDING SCHOOLS – PLANNED COVERAGE 2021-22

		CORE DEPARTMENT SYSTEMS INCLUDING SCHOOLS	Audit Plan Year
	PSIAS		2021-22
Health & Wellbeing		Continuing Healthcare	
		Self Directed Support (Direct Payments/ISFs etc)	
		S117 Mental Health	
		Transitional Planning	
		Better Care Fund including Support & Enablement	
		Financial Assessment / Journey of Clients including client charging & payment to providers	
	C, R	BACES	x*
		Deferred payment for long term residential care	
		Public Health Contracts / Monitoring/ Service Delivery	
		Liberty Protection Safeguards	
	C, R	Court of Protection / Deputyships/ Receiverships & Appointeeships	x*
		Resource Allocation System	
	C, R	ContrOCC & System One /Data Quality	x
	C, R	Commissioned Care	x
		No recourse to public funds	
C, R	CCA Transformation and Change Programme	x	
	Departmental Risk Management		
Children's Services		Through Care and After Care	
		Fostering / Special Guardianships	
		Adoption	
		Outdoor Centres	
	C, R	External Placements	x
		Early Years (2,3,4 year old offer)	
		Quality Assurance of Social Work activity	
	C, R	Residential Children Homes	x
		School Transport/Travel Assistance	
		Commissioning / Purchased Placements	
	C, R	Ofsted Inspection/Children's Improvement Plan	
		Education Attendance/Safeguarding	
	C, R	Early Help & Prevention (new delivery model)	x
	C, R	Social Care Service Audits (to be determined)	x
		Departmental Risk Management	
		Financial control, cash spend, allowances	
		Duplicate Payments Review	
C, R	School Funding Allocation	x*	
Corporate Resources	C, R	Risk Management	x
		Building Maintenance/Services/TF/ CAFM	
	C, R	Health & Safety	x*
		Rents incl miscellaneous, market and other rents	
	C, R	Energy Management / Carbon Reduction / Utilities	x*

		Housing Revenue Account	
		Insurance	
	C, R	Members' Allowances	x
	C	Grants certification	x
		Grants to Voluntary Organisations	
		Registrars	
	C, R	Legal Compliance	x
	C, R	Provision of Catering to Schools	x*
		Land Charges	
		Departmental Risk Management	
	G	Annual Governance Process	x
Place		S106 and Community Infrastructure Levy	
		Museum Artefacts	
	C, R	Waste Management/Recycling	x*
		Swimming Pool and Sports Centre Income	
	C, R	Licensing (Taxis etc)	x
		Car Parking	
		Transport incl vehicle repairs and maintenance, fuel recharge	
	C, R	Homelessness/Housing	
	C, R	Planning Applications and Building Regulations Fees	x
		Regeneration Grants / Loans/Business Rates Relief	
		Neighbourhoods and Customer Service	
		Highways Delivery Unit	
		Cemeteries and Crematoria	
	Departmental Risk Management		
Chief Executive		Corporate Governance	
		Performance Management	x
		Conflicts of Interest	
		Partnership Governance	
		Departmental Risk Management	
Schools	C, G, R	School Audits - Finance and Governance	x
		Safeguarding & Recruitment	
	C, R	Themed Audit	x
		Independent Payroll	
	C, G, R	SFVS Assessment	x
	C, G, R	SFVS Training	x
	C, R	In Control news letter	x
	C	6 th Form Funding Assurance	x

x* = audit deferred from prior year plan/audit in prior year plan with majority of work done this year

WEST YORKSHIRE PENSION FUND AUDIT PLAN 2021-22

		WYPF Plan 2021/22
PSIAS	Pensions Administration	
C	Local Government Scheme Contributions	x
C	New Pensions and Lump Sums	x
	Transfers Out	
C	Transfers In	x
	Reimbursement of Agency Payments	
	Life Certificates	
	AVC Arrangements	
	Admission of New Bodies	
	Pensioners Payroll	
C	Purchase of Additional Pension	x
	Annual Benefit Statements	
	New Pension and Lump Sums - Fire Service	
	Information Governance including GDPR	
	Accuracy of Contributions Recorded on Member Records	
C	Business Continuity	x
C	Shared Service Partner Admission	x
	Investments	
C	Equities	x
	UK Fixed and Index Linked Public and Corporate Bonds	
	UK and Overseas Unit Trusts (Property and Other)	
	Fund of Hedge Funds	
C	UK and Overseas Private Equity	x
	Global Bonds	
C	Cash Treasury Management (Short term Lending)	x
C	Stock Lending	x
	Compliance with IAP Investment Decisions and Policies	
	Verification of Assets	
	GLIL	
C	Annual Accounts Verification	x
C	NLGPS Collaborative Work - NPEP	x

COMPUTER AUDIT PLAN 2019/20 TO 2021/22

	Audit	Rationale	Audit days
1	Physical security and Environment - Data Centres and core sites	The core/engine of the whole ICT infrastructure. If ICT get this wrong, then it highlights a major concern about how they are managing the rest of ICT. It is critical that these rooms are secure, resilient and can withstand physical and environmental attacks.	6
2	Vulnerability management	Failure to effectively manage vulnerabilities in a timely and controlled manner could have a devastating impact in service availability and continuity. Managed poorly and the council could ground to a halt following an attack and suffer significant financial penalties	10
3	Hardware Asset Management	Failing to track assets from cradle to grave allows opportunities for items to disappear and not be traced	10
4	Email Management	Deemed a critical system for communication and it is paramount that it is always available, data is managed and effective encryption is used	10
5	Third party access management	Significant concerns over poorly managing 3rd party access. Rightly scored high in the assessment due to the powerful level of access usually given to 3rd party suppliers.	10
6	PCI/DSS compliance	Significant risk - if you are not compliant or get it wrong, ultimately the banks can remove your ability to pay by card, which would have a devastating operational impact on collecting income.	10
7	Service desk management	a major system for recording all ICT related issues. The knock on effect of not managing this service effectively will impact on all core service management areas.	20
8	ICT business continuity and disaster recovery	critical that service is always available and when there is a failure/outage/incident ICT must have robust and resilient systems in place to respond and recover asap	20
9	Mobile Device Management	Data breaches will be significant without an effective mobile device management system. Common areas where organisations get things wrong are poor configuration and poor authentication.	10
10	Software Asset and Licence Management	Similar concerns with hardware asset management. There are financial impacts and reputational damage to not effectively managing the estate. E.g. under/over utilisation of licenses, uncontrolled and unauthorised software installed	15
11	Application Management (Finance or social care)	it is critical that all core applications that store, process, transport and manage personal and sensitive data are being effectively managed. Poor access control and audit trails are common place	10
12	Network management	All ICT service run through a network and ineffective management over the network could result in unnecessary unplanned downtime and will affect service continuity	10
13	CONTINGENCY	CONTINGENCY TO BE SHARED BETWEEN YEARS	39