

## **Report of the Director of Finance and IT to the meeting of the Governance and Audit Committee to be held on 21 April 2022.**

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### **Subject:**

**INTERNAL AUDIT PLAN 2022/23**

### **Summary statement:**

This report outlines the Internal Audit Plan for the financial year 2022/23. 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 2022/23 Internal Audit plan is a one year plan. This takes into account the work that has been able to be completed in the past two years and the new risks that the Council has been facing. Normally this would have been the fifth year of a five year internal audit planning cycle however due to current uncertainty as to the new working environment a single year programme has been adopted.

### **Equality & Diversity:**

The achievement of the 2022/23 Internal Audit Plan will provide assurance that the appropriate governance processes are in place which allows Service Objectives to be delivered in accordance with the Council's equality policies.

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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 2022/23, 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 2022/23.
- 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.

The 2022/23 Internal Audit plan is a one year plan. This takes into account the work that has been able to be completed in the past two years and the new risks that the Council has been facing. Normally this would have been the fifth year of a five year internal audit planning cycle however due to current uncertainty as to the new working environment a single year programme has been adopted.

## **2. BACKGROUND**

### **Internal Audit Plan 2022/23**

- 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 2022/23 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 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 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 2022 and in the Annual Audit Report in June/July 2023.
- 2.5 The 2022/23 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 2022/23 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 fundamental shifts in the way the Council now works 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 Internal Audit Plan for 2022/23 be approved.

## **12. APPENDICES**

12.1 Appendix 1 – Internal Audit Plan 2022/23.

## **13. BACKGROUND DOCUMENTS**

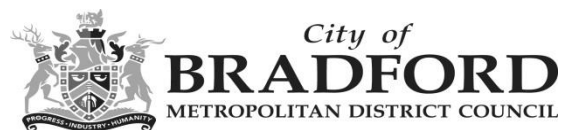
13.1 Accounts and Audit Regulations 2015.

13.2 Public Sector Internal Audit Standards 2017.

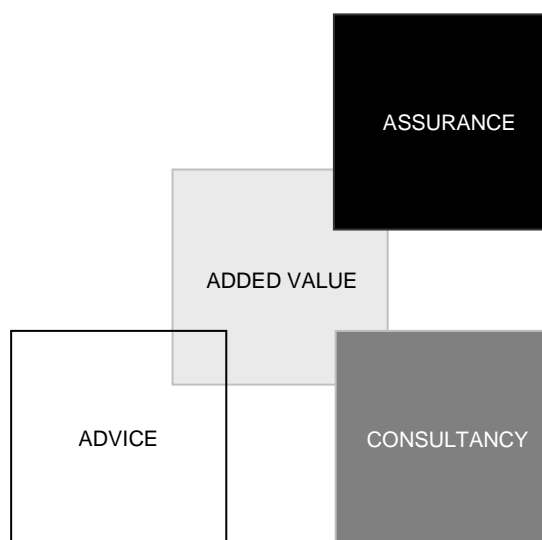
### 13.3 The CIPFA Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards 2019 Edition.

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# Internal Audit



## INTERNAL AUDIT PLAN 2022/23



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 (GAC). 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. In order to prevent duplication of work and to ensure that the required audit assurances on the Council’s financial systems are provided, the 2022/23 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 2022/23.

*Mark St Romaine*

Head of Internal Audit, Insurance and Risk

April 2022

### **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 2415 person days (9.3 FTE) which is slightly more than the 2370 person days (9.1 FTE) available in 2021/22. The net increase is due to staff being released back into the team from their secondments on business grants and Covid support. However, two staff 1.6 FTEs equivalent are leaving the team with the retirement of one Senior Auditor and the promotion of another Senior Auditor to the Council Risk Manager. It is envisaged that these vacancies will be filled with the recruitment of a

Senior Auditor and an Audit Trainee who are assumed to join the team by the 1<sup>st</sup> August 2022. Overall these resources will enable the Internal Audit Opinion to be supported by sufficient evidence.

### **3. INTERNAL AUDIT PLAN SUMMARY 2022/23**

- 3.1 The summary of the Internal Audit Plan for 2022/23 in person days, by type of audit activity, is shown in Appendix A. The main difference from the 2021/22 plan is the increased resource allocated to significant systems to re-establish appropriate coverage as the Council recovers from the effects of the Covid Pandemic. A contingency remains to manage any uncertainty especially the impact of any inflationary pressures and tightening of the labour market particularly in critical skills areas.
- 3.2 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 2022 and in the Annual Audit Report in June/July 2023. 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 In the past the audit plan was based on a five year rolling plan that was designed for 2018/19 to 2022/23. Due to the impact of the Pandemic it has been decided that the 2022/23 Internal Audit Plan will be a one year plan to attempt coverage of those areas of activity that were not audited over the last two years which were previously timetabled to do so. This is with the intention of moving to a longer time planning framework from 2023/24. The Plan has been subject to consultation with the 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 Internal Audit Work 2021/22 Carried Forward**

In any year there will be work carried forward from the previous year that was not completed in the year it was originally planned. Whilst there are a number of small carry forwards on several audits the following audits are now required to be substantially completed in 2022/23 rather than last financial year. These are tabled below.

### **2021/22 Slippage into 2022/23**

<b>Audit</b>	<b>Days</b>
Capital Schemes	25
School Funding Allocation	10

## **5.2 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. In 2022/23 a more limited schedule of review is proposed with a single Audit on Adults Social Care Transformation planned. This is partially in response to the appointment of a Council Risk Manager which will see additional frontline input into this area in 2022/23. In addition, Internal Audit will be attempting to provide an assurance process within the Council's Management Assessment Process which is key evidence for the Council's Annual Governance Statement.

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 C.

## **5.3 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.

Appendix A shows that a total of 278 days has been allocated to fundamental financial systems work for 2022/23. This is an increase of 4% on the 267 days allocated in 2021/22.

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. Details of the fundamental financial systems and their cyclical coverage are shown in Appendix B.

## **5.4 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 Looked After Children, Energy Management, School Catering, Deferred Payment for Care, Waste Management and Conflicts of Interest. 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 C.

Appendix A shows that 527 days has been allocated to significant systems work for 2022/23, which is a significant increase on the 324 days allocated in 2021/22.

## **5.5 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.

During 2021/22, the effects of Covid-19 continued to affect Internal Audit's access to school premises and the remote audit approach developed and introduced during 2020/21 remained in operation. This remote approach, which focuses on three financially significant areas; Governance and accountability, Purchasing and payments, and Payroll, will continue to be followed in 2022/23, being reviewed and revised as circumstances and practices allow. Twenty five schools are planned to be selected for audit activity this financial year.

The position regarding academy conversions will continue to be monitored throughout 2022/23 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 30 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; for 2021/22 returns it is the 31<sup>st</sup> March 2022.

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 Council by the March deadline also informs an annual position statement declared by the Director of Finance & IT to the DfE, which for 2021/22 is the 31<sup>st</sup> May 2022.

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. In January 2022, an online training session was hosted by Internal Audit using Microsoft Teams, which on this occasion was particularly relevant due to scheme changes. This training is in addition to traditional remote methods of support on an individual school basis. Positive feedback has been received from delegates on training delivered to date and it is planned to deliver further training during 2022/23, either in person at Council premises, or online, depending on the position with Covid-19.

Appendix A shows that the number of resources allocated to schools work for 2022/23 is 255 days, compared with the 220 days allocated for schools' audit work in 2021/22.

## **5.6 Computer Audit**

A total of 60 days has been allocated to computer audit in 2022/23, which is consistent with the days allocated in 2021/22. 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, which is to be extended to 31/3/23 to align the contract with the audit plan. The Computer audit plan that covers this period is shown in Appendix E.

## **5.7 Grants**

There are no significant differences in the number of grants and funding streams known to require certification in 2022/23 compared to 2021/22, 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 108 days within the 2022/23 plan to complete the certifications listed below. This is an increase of 37 days (52%) on the 71 days allocated in the 2021/22 plan to reflect the significant number of notifications to Internal Audit of new grant certifications that were received after the 2021/22 plan had been approved.

Cycle City Ambition Grant 2021/22  
Pot Hole Action Fund Grant 2021/22  
Contain Outbreak Management Fund 2021/22  
WYCA Local Transport Block Funding Grant 2021/22  
West Yorkshire Plus Transport Fund Grant 2021/22  
Families First (Troubled Families Funding) 2022/23  
Disabled Facilities Grant 2021/22  
PE & Sport Grant 2021/22  
Local Authority Bus Subsidy Grant 2021/22  
Active Travel Grant (2021/22)  
City Connect (2021/22)  
Transforming Cities Fund (2021/22)  
Ultra Low Emissions Vehicles Taxi Infrastructure Grant (2021/22)  
Getting Building Fund Grant (2021/22)

## **5.8 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 work issued up to 31 December 2021 will commence in April 2022. 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 may have to be revised. 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 December 2021 will be carried out through the year.

Appendix A shows that the number of resources allocated to follow ups in 2022/23 remains at 45 days to reflect the support that Internal Audit will provide to service managers to assist in the timely implementation of recommendations.

## **5.9 Advice & Controls Awareness**

Advisory and control awareness work is mainly demand led and includes provision for advice on business issues. An allocation of 114 days has been made for this work in 2022/23, which is in line with the days allocated in 2021/22.

## **6. WEST YORKSHIRE PENSION FUND (WYPF)**

The WYPF Internal Audit Plan (see Appendix D) 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 Head of Finance, 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 2022/23, 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 2021/22. 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, (66.2% of WYPF's market value at 31.12.21). 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 Head of Finance 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 2022/23 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. In a similar way, New Pensions and Lump Sums relating to the Fire and Rescue Services is also to be audited annually from 2022/23, again with different pensioner type each year.

Annual Benefit Statements is audited twice in every five year period. Reimbursement of Agency Payments and AVC Arrangements are both 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 (PSIAS)**

In order to comply with Public Sector Internal Audit Standards, the Service should adopt a Quality Assurance Improvement Plan (QAIP). In 2022/23 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 in the new hybrid working environment.

The 2022/23 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.

Under the PSIAS the Internal Audit Service is required to be externally assessed every five years. The last assessment was reviewed by the GAC in April 2018. Preparations will need to begin before the Summer to determine what form the external assessment should take, which will require the agreement of the GAC. The assessment should be completed by the spring of 2023.

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 2022/23 AND 2021/22 BY AUDIT ACTIVITY

	2021-22 Plan	2022-23 Plan
Full Time Equivalents (net of leave & public holidays)	9.1	9.3
	Days	Days
Fundamental Financial Systems	267	278
Significant Systems	324	527
Strategic & Departmental Risks/Council Plan	80	20
Schools	220	255
Computer Audit	60	60
Grants	71	108
Follow-up Audits	45	45
Advice & Control Awareness	111	114
West Yorkshire Pension Fund	255	255
Administration	205	202
Management: Plan Delivery	208	208
Management: Technical	46	45
Training	85	120
Non-Audit Functions	54	44
Covid 19 Support	180	30
Contingency Provision	159	104
<b>TOTAL PRODUCTIVE TIME</b>	<b>2370</b>	<b>2415</b>

**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

## FUNDAMENTAL SYSTEMS – PLANNED COVERAGE 2022-23

		AUDIT PLAN YEAR
PSIAS	Fundamental System	2022-23
	<b>Council Tax/NNDR</b>	
C, R	Valuation/Liability/Billing/Collection/Refunds	x
C,R	Enforcement & Write Offs	x
	Business Support Grant Post Fraud Assurance/Recovery Work	
	<b>Benefits</b>	
	Housing Benefit	
C, R	Discretionary Housing Benefits	x
	Free School Meals	
	Overpayments	
	<b>Accounts Receivable</b>	
	Invoicing	
	Enforcement, Refunds & Write Offs	
C	Accounts Receivable Key Controls	x
	<b>Accounts Payable</b>	
	Requisitioning/Ordering/Receipting	
	Payments including feeder files and miscellaneous payments	
	Supplier Maintenance	
C	Accounts Payable Key Controls	x
	<b>Procurement</b>	
	Corporate Contracts & Frameworks	
C, R	IR35	x
	Agency Spend	
C, R	Contract Management Review	x
	Procurement Processes (Quotes, Tenders, Contracts Award) <b>incorporating Social Value and Inclusive Growth</b>	
	Purchase cards	
	Third Sector Contracts	
	Contract Variations	
	Supplier Relief Review	
	<b>Payroll</b>	
	Starters & Leavers*	
C, R	Certification of Pension Contributions	x
C, R	Payroll Processing including temporary & permanent variations, voluntary deductions, salary sacrifice, statutory payments and Apprenticeship Levy	x
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	2022-23
	<b>Cash, Banking, Investments and Loans</b>	
C, R	Cash income (collection, banking, management/governance)/Capita cash receipting system	x
C, R	Bank reconciliation/unallocated cash	x
	Cash Purchasing	
	Investments and Loans	
	Treasury Management	
	<b>Budgetary Control</b>	
C, R	Budgetary Control	x
	<b>Capital</b>	
	Accuracy of Asset Management register (CAFM): Revaluations, additions and disposals	
C, R	Capital Programme	x
	Capital Schemes	
	Final accounts review	
	<b>Human Resources</b>	
	Flexitime / Timerecording	
	Sickness Absence	
C,R	Hybrid Working Arrangements	x

## CORE DEPARTMENT SYSTEMS INCLUDING SCHOOLS – PLANNED COVERAGE 2022-23

		CORE DEPARTMENT SYSTEMS INCLUDING SCHOOLS	Audit Plan Year
	PSIAS		2022-23
<b>Health &amp; Wellbeing</b>	C, R	Continuing Healthcare	x
	C, R	Self Directed Support (Direct Payments/ISFs etc)	x
	C, R	S117 Mental Health	x
	C, R	Transitional Planning (cross cutting with Children's)	x
		Better Care Fund including Support & Enablement	
		Financial Assessment / Journey of Clients including client charging & payment to providers	
		BACES	
	C, R	Deferred payment for care	x
		Public Health Contracts / Monitoring/ Service Delivery	
		Liberty Protection Safeguards	
	C, R	Court of Protection / Deputyships/ Receiverships & Appointeeships	x
		Resource Allocation System	
		ContrOCC & System One /Data Quality	
		Commissioned Care	
		No recourse to public funds	
	C, R	Debt Management	x
	C, R	CCA Transformation and Change Programme	x
	C, R	Revenue Budget Monitoring	x
		Departmental Risk Management	
<b>Children's Services</b>	C, R	Through Care and After Care	x
		Fostering / Special Guardianships	
		Adoption	
		Outdoor Centres	
		External Placements	
		Early Years (2,3,4 year old offer)	
		Quality Assurance of Social Work activity	
		Residential Children Homes	
	C, R	School Transport/Travel Assistance	x
		Commissioning / Purchased Placements	
	C, R	Controcc Liquidlogic	x
		Ofsted Inspection/Children's Improvement Plan	
		Education Attendance/Safeguarding	
		Early Help & Prevention (new delivery model)	
		Social Care Service Audits (to be determined)	
		Departmental Risk Management	
		Financial control, cash spend, allowances	
		Duplicate Payments Review	
	C, R	Supporting the Establishment of the Childrens Trust	x
	C, R	Transitional Planning (cross cutting with H&WB)	x
		School Funding Allocation	
		Risk Management	

<b>Corporate Resources</b>	C, R	Building Maintenance/Services/TF/CAFM	x
		Health & Safety	
	C, R	Rents incl miscellaneous, market and other rents	x
	C, R	Energy Management / Carbon Reduction / Utilities	x
		Housing Revenue Account	
	C, R	Insurance	x
	C, R	Members' Allowances	x
	C	Grants certification	x
		Grants to Voluntary Organisations	
		Registrars	
		Legal Compliance	
	C, R	Provision of Catering to Schools	x
		Land Charges	
		Departmental Risk Management	
	G	Annual Governance Process	x
<b>Place</b>	C,R	S106 and Community Infrastructure Levy	x
		Museum Artefacts	
	C, R	Waste Management/Recycling	x
	C, R	Swimming Pool and Sports Centre Income	x
	C, R	Licensing (Taxis etc)	x
		Car Parking	
		Transport incl vehicle repairs and maintenance, fuel recharge	
	C, R	Homelessness/Housing	x
	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	
<b>Chief Executive</b>		Corporate Governance	
		Performance Management	
	G	Conflicts of Interest	x
		Partnership Governance	
		Departmental Risk Management	
<b>Schools</b>	C, G, R	School Audits - Finance and Governance	x
	C, R	Safeguarding & Recruitment	x
		Themed Audit	
		Independent Payroll	
	C, G, R	SFVS Assessment	x
	C, G, R	SFVS Training	x
	C, R	In Control news letter	x
	C	6 <sup>th</sup> Form Funding Assurance	x

## WEST YORKSHIRE PENSION FUND AUDIT PLAN 2022-23

		WYPF Plan 2022/23
PSIAS	Pensions Administration	
	Local Government Scheme Contributions	
C	New Pensions and Lump Sums	x
	Transfers Out	
	Transfers In	
C	Reimbursement of Agency Payments	x
	Life Certificates	
C	AVC Arrangements	x
	Admission of New Bodies	
	Pensioners Payroll	
	Purchase of Additional Pension	
C	Annual Benefit Statements	x
C	New Pension and Lump Sums - Fire Service	x
	Information Governance including GDPR	
	Accuracy of Contributions Recorded on Member Records	
C	Exit Credits	x
	Business Continuity	
	Shared Service Partner Admission	
C	Counter Fraud Work	x
	<b>Investments</b>	
C	Equities	x
C	UK Fixed and Index Linked Public and Corporate Bonds	x
C	UK and Overseas Unit Trusts (Property and Other)	x
	Fund of Hedge Funds	
	UK and Overseas Private Equity	
	Global Bonds	
C	Cash Treasury Management (Short term Lending)	x
	Stock Lending	
	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 2022/23

	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