



Joint Governance Committee
23 March 2023

ADUR & WORTHING COUNCILS

Key Decision: No

Ward(s) Affected: N/A

2023/24 INTERNAL AUDIT PLAN REPORT BY THE HEAD OF INTERNAL AUDIT

Executive Summary

1. Purpose

- 1.1 This report Asks Members to consider and approve the 2023/24 Internal Audit Plan.

2. Recommendations

2.1 Recommendation One

That the Committee consider whether there are any specific internal audits which they would like to see progressed in 2023/24, which are not currently contained within the proposed plan.

2.2 Recommendation Two

That the 2023/24 Internal Audit Plan be approved.

3. Context

3.1 Background

In accordance with professional internal auditing standards and the Internal Audit Charter, Internal Audit Plans are presented annually to Members for consideration and approval.

In order to focus internal audit resources on areas of high risk or where independent assurance is required, we have met with each Head of Service to discuss and identify potential audits by:

- Reviewing the risks contained within the Councils' corporate and service risk registers;

- Discussing areas of change or concern;
- Results of our previous work undertaken, and
- Considering current issues impacting on Local Government and the wider Public Sector.

4. Issues for Consideration

4.1 The proposed 2023/23 Internal Audit Plan, attached as **Appendix A**, consists of 20 audits and 406 days of work allocated as summarised below:

Category of Work	Type of Work	Number of Days
Audits of High Risk^ areas	System audits, annual testing of key financial and governance systems	82
Audits of High Risk^ areas	Cross service audits	42
Audits of Medium^ Risk areas	System and cross service audits	93
ICT Audits	Specialist ICT related audits and Application Reviews	35
Programme/Project and Contract Audits	Specialist reviews & Contract examination	44
NFI	Co-ordination & investigation of matches	30
Follow Up	Follow up to confirm implementation of agreed audit recommendations	20
Other	Management & Contingency	60
Total Days in Plan		406

^ based on Internal Audit strategic plan assessment

4.2 An ongoing system of monitoring the progress of internal audit work against the plan is in place. Monthly progress is reported to the Chief Financial Officer and quarterly reports on progress are presented to this Committee. In accordance with the Terms of Reference, other reports may be presented to the Committee as necessary during the year.

4.3 The Committee is asked to consider whether there are any specific areas of interest, which they would like to see covered in the 2023/24 Internal Audit Plan.

5. Engagement and Communication

5.1 Following meetings with each Head of Service, the proposed draft 2023/24 Internal Audit Plan was presented to the Councils' Leadership Team for review and comment. Any comments received have been addressed within the proposed plan presented to Committee.

6. Financial Implications

6.1 The costs for the provision of Internal Audit are included within the Councils budgets as presented by the Chief Finance Officer.

7. Legal Implications

7.1 There are no legal matters arising as a result of this report.

Background Papers

None

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Sustainability & Risk Assessment

1. Economic

Matter considered and no issues identified.

2. Social

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

The report explains that the overall level of audit coverage for 2023/24 has been developed by applying a risk-based approach in order to provide Members, management, and other external bodies with independent assurance on the adequacy of the Council's risk management, governance, and internal control framework. The detailed Plan is listed in Appendix 1 of this report. .



**Adur District & Worthing Borough Councils
Proposed 2023-24 Internal Audit Plan
March 2023**

Appendix 1 - Proposed 2023/24 Internal Audit Plan

Auditable area	Corporate or Service Level Risk Register Issue (were relevant)	Notes	Audit Sponsor	IA Risk Rating	Indicative Days	Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)
ECONOMY									
Place & Economy									
Events – Processing and Management	PE01 – Large scale events facilitated by the Councils – The safe management of large scale events across Adur and Worthing.	Head of Service request. Internal Audit (IA) to look at adequacy of internal controls related to events management.	Head of Place and Economy	M	12	-	-	-	12
COMMUNITIES									
Wellbeing									
Safeguarding (Children and Adults)		Head of Service request. IA to look at adequacy of internal controls related to management of safeguarding related referrals.	Head of Wellbeing	M	12	-	-	12	-
Bereavement Services	BS01 - delivery of essential bereavement services.	Head of Service request. IA to look at adequacy of internal controls related to bereavement services.	Head of Wellbeing	M	15	-	15	-	-
Housing									
Follow up on Housing-related IA Recommendations		Head of Service request. A follow up on the overdue housing-related recommendations	Director for Communities	H	15	-	-	-	15

Auditable area	Corporate or Service Level Risk Register Issue (were relevant)	Notes	Audit Sponsor	IA Risk Rating	Indicative Days	Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)
		considering changes in processes brought by the transformation programme.							
Disabled Facilities Grant		Postponed from the 2022/23 Plan. IA to look at adequacy of internal controls related to management of the disabled facilities grant including applications and works undertaken.	Head of Housing	M	10	-	10	-	-
Emergency and Temporary Accommodation – Multi disciplinary Team		Head of Service request. Postponed from the 2022/23 Plan.	Head of Housing	M	10	-	-	10	-
Discretionary Housing Payments (Cost of Living Response)		Director for Communities has requested discretionary housing payments to be audited.	Director for Communities	M	12	-	-	12	-
Human Resources									
Civica/Connect HR system	HR03 - Failure to implement the phase 2 of the HR Connect system effectively system.	Postponed from the 2022/23 Plan. IA to review core system controls and effective use effectively for HR processes as intended by implementation.	Head of Human Resources	H	12	-	-	12	-
Financial Services									

Auditable area	Corporate or Service Level Risk Register Issue (were relevant)	Notes	Audit Sponsor	IA Risk Rating	Indicative Days	Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)
Accounts Receivable		Head of Service request to complete full audit of one key financial system each year.	Chief Financial Officer	H	15	-	-	15	-
Key control testing - financial systems		Ongoing testing of key financial controls (includes Revenues & Benefits systems).	Chief Financial Officer	H	40	10	10	10	10
Legal Services									
Members Expenses		Head of Service request. IA to at adequacy of internal controls related to claims and payment of Members expenses.	Head of Legal Services	H	10	-	-	-	10
Legal Services	LS04 – Legal Services capacity.	Head of Service request. IA to look at adequacy of internal controls related to recording of work, allocation, billing arrangements.	Head of Legal Services	M	12	-	12	-	-
TECHNOLOGY AND DIGITAL AUDITS									
Digital Strategy		Postponed from the 2022/23 Plan. IA to look at Digital Strategy after Councils overall strategy has been refreshed.	Head of Digital Services	H	20	-	-	-	20

Auditable area	Corporate or Service Level Risk Register Issue (were relevant)	Notes	Audit Sponsor	IA Risk Rating	Indicative Days	Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)
IT Audits Needs Assessment		Head of Service request. IA to conduct an IT Audit Needs Assessment to identify key risks and priorities for IT coverage,	Head of Digital Services	H	15	-	-	15	-
PROGRAMME/PROJECT AND CONTRACT AUDITS									
Planned Maintenance programme	FS06 - Contract management.	Postponed from 2022/23 Plan. New contract currently being procured for planned maintenance of corporate buildings	Head of Facilities & Technical Services	H	15	15	-	-	-
Carbon Reduction Programme	Corp Risk - Climate Emergency (High)	Postponed from the 2022/23 Plan. IA to look at governance of programme and how the Councils ensure that the funding received will be spent be deadlines.	Director for Communities	H	14	-	-	-	14
Energy Supplier - procurement & contract management	FS06 - Contract management.	Postponed from 2022/23 Plan. New contract currently being procured.	Head of Facilities & Technical Services	H	15	-	-	15	-
CROSS SERVICE REVIEWS									
Supply of Affordable Housing	Corp Risk - Housing Supply (High) H02 (B) - Failure to enable	Postponed from 2022/23 Plan.	Head of Housing	H	12	12	-	-	-

Auditable area	Corporate or Service Level Risk Register Issue (were relevant)	Notes	Audit Sponsor	IA Risk Rating	Indicative Days	Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)
	development of affordable homes.								
Workforce Planning	Corp Risk - Organisational Development (Low).	Postponed from 2022/23 Plan. IA to examine how departments and services plan their workforce requirements for the coming years. To include succession planning.	Director for Digital, Sustainability & Resources	H	15	-	-	15	-
Health & Safety		Head of Service request. IA to look at how the results of the recent external H&S review are being addressed & implemented.	Head of Facilities & Technical Services	H	15	-	15	-	-
OTHER									
Management & Admin		Ongoing contract management.		N/a	40	10	10	10	10
Ad-Hoc/Contingency		Resources for unplanned work, if required.		N/a	20	5	5	5	5
NFI Co-Ordination		NFI liaison.		N/a	10	2.5	2.5	2.5	2.5
NFI Testing		Continuing testing of NFI matches		N/a	20	5	5	5	5
Follow-Up		Follow up of prior year recommendations.		N/a	20	5	5	5	5
Totals					406	64.5	89.5	143.5	108.5

Appendix 2 - Statement of Responsibility

We take responsibility to the Councils for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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