

# Public Document Pack



**Meeting of:** Audit and Governance Committee  
**Date:** Tuesday, 30th March, 2021  
**Time:** 2.00 pm.  
**Venue:** Virtual meeting

**This agenda gives notice of items to be considered in private as required by Regulations 5 (4) and (5) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.**

<b>Item No.</b>	<b>AGENDA</b>	<b>Page No</b>
<b>1</b>	<b>Apologies</b>  To receive any apologies for absence.	
<b>2</b>	<b>Internal Audit Plan 2021/22</b>  To consider the report of the Head of Internal Audit.	<b>2 - 16</b>

## **Audit and Governance Committee Members**

Councillor Ali Ahmed	Craig Ainsworth
Councillor Sultan Ali	Councillor James Gartside
Councillor Aftab Hussain	Councillor Peter Malcolm
Councillor Donna Martin E	Councillor Kathleen Nickson
Councillor Aasim Rashid	Jaime Sanderson
Councillor Donna Williams	

# Agenda Item 2

## Report to Audit and Governance Committee



Date of Meeting	30 <sup>th</sup> March 2021
Portfolio	Cabinet Member for Resources
Report Author	Shaun Knowles
Public/Private Document	Public

### Internal Audit Draft Audit Plan 2021/22

#### Executive Summary

- 1.1 The purpose of this report is for the Committee to receive and approve the draft Internal Audit Plan for 2021/22.
- 1.2 The Audit Plan's intent is to provide appropriate coverage of Council services in order to ensure that an independent opinion can be given on the effectiveness of risk management, control and governance processes at the end of the year.
- 1.3 The Audit Plan provides for flexibility to allow for new and emerging areas of risk to be evaluated during the course of the year.
- 1.4 Therefore, this report seeks to inform the Audit and Governance Committee of the proposed work programme of Internal Audit to facilitate approval of the Internal Audit Plan for 2021/22.

#### Recommendation

2. The Audit and Governance Committee approve the Internal Audit Plan for 2021/22.

#### Reason for Recommendation

- 3.1 The Council's Internal Audit Charter, developed in accordance with the Public Sector Internal Audit Standards (PSIAS), requires the production of an annual internal audit plan.
- 3.2 The focus of Internal Audit work includes the financial systems, operational and management controls and also includes risk management and corporate

governance as a contribution to the proper, economic, efficient and effective use of resources.

### Key Points for Consideration

- 4.1 The Council's Internal Audit Charter has been developed in accordance with the Public Sector Internal Audit Standards (PSIAS) and requires the production of an annual internal audit plan.
- 4.2 The authority to approve the annual internal audit plan is within the Audit and Governance Committee's Terms of Reference.
- 4.6 **Internal Audit Plan 2021/22**  
A detailed breakdown of the Internal Audit Plan 2020/21 is included in Appendix A.
- 4.4 Provision exists within the audit plan for unplanned work such as special investigations involving suspected fraud and irregularity and the provision of ad hoc advice.
- 4.13 Internal Audit will continue with the responsibility for co-ordinating the National Fraud Initiative. This will assist in providing input into future Internal Audit planning processes in relation to any specific issues that are highlighted through this exercise.
- 4.13 Internal Audit will continue with the responsibility for co-ordinating the National Fraud Initiative. This will assist in providing input into future Internal Audit planning processes in relation to any specific issues that are highlighted through this exercise.
- 4.16 **Other Sources of Assurance**  
The development of the plan has taken account of other sources of assurances, both internal and external to Council activities which sit alongside the assurances provided by Internal Audit. This includes not only the process of challenge and decision making through the Cabinet and Committee structure, forming a core part of the Constitution, but also various forms of self-assessment such as the annual Director's Governance Assurance Statement and the Quality Assurance Frameworks within Children's Social Care and Adult Care.
- 4.19 Further assurance is gained from other independent reviews undertaken by both external audit (Mazars) and other external bodies such as Ofsted, Care Quality Commission, HM Customs, Food Standards Agency, Information Commissioners Office etc. together with independent peer reviews undertaken within Children's Services and Adult Care to evaluate processes and practices against best practice standards. Internal Audit is also continuing to liaise with the Mersey Internal Audit Agency who provide internal audit services to the Clinical Commissioning Group in order to ensure that appropriate levels of assurance are gained as the integration of health and social care services develops.
- 4.20 The Head of Internal Audit considers the resource available remains sufficient to be able to fulfil the core objectives of the Internal Audit service, specifically to deliver an audit opinion on the overall control environment

8.6 **Alternatives Considered**

No alternatives have been considered given the statutory responsibilities that are being fulfilled through this process

<b>Costs and Budget Summary</b>
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13 Not applicable.

<b>Risk and Policy Implications</b>
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14 The Internal Audit function discharges the statutory responsibilities delegated to the Chief Finance Officer through Section 151 of the Local Government Act 1972 and the Accounts and Audit (England) Regulations 2015 to undertake an effective internal audit in accordance with public sector internal auditing standards or guidance. The Internal Audit Plan forms the basis on which an independent opinion on the effectiveness of risk management, control and governance processes can be provided at each year end for inclusion within the Annual Governance Statement. The main risk of not accepting the plan is that this opinion cannot be delivered to confirm and support the adequacy of the overall governance framework.

<b>Consultation</b>
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15 An extensive process of consultation is undertaken in order to develop this Internal Audit Plan, as set out within paragraph 4.3, in order to ensure that all key areas of risk are considered.

<b>Background Papers</b>	<b>Place of Inspection</b>
None	

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P U	Ref	Directorate	Sub-Directorate	Area	Audit Brief	Risk	Core / Assurance	Plan days Total
1.00 Adult Care								
P	1.01	Adult Care	Adult Care	ALLIS	Provide assurance over the effectiveness of processes and controls within the organisational safeguarding module.	M	Assurance	15.00
P	1.02	Adult Care	Adult Care	Provider Portal Payments	Evaluate the processes and controls within the payment system for providers, ensuring the integrity of data input by the providers which supports future payments to them.	M	Core	20.00
P	1.03	Adult Care	Adult Care	Disabled Facilities Capital Grant Determination	To confirm that the grant has been spent in accordance with grant terms and conditions	L	Assurance	5.00
P	1.04	Adult Care	Adult Care	High Value Placement process	Evaluate processes and controls supporting high value placements to ensure they are effective towards delivering value for money and align with agreed procedures.	M	Assurance	20.00
2.00 Children's Services								
P	2.01	Children's Services	Children's Social Care	Post 16 Supported Accommodation (Children's Social Care)	Evaluate processes and controls supporting the transition into post 16 supported accommodation to ensure the quality of care remains appropriate.	H	Assurance	20.00

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P	2.02	Children's Services	Children's Social Care	Troubled Families	Evaluate processes and controls to ensure they are effective and support compliance with the GM Troubled Family Framework and Troubled Family Outcome Plan	M	Assurance	20.00
P	2.03	Children's Services	Children's Social Care	EYES System - Compliance Review against Data Protection Impact Assessment	Evaluate compliance with the revised Data Protection Impact Assessment (DPIA) and ensure governance arrangements remain appropriate	M	Assurance	20.00
P	2.04	Children's Services	Children's Social Care	Significant increase in spend	To be proactive and analyse data from the financial system to monitor patterns in purchase card spend which may indicate spend that is significantly greater than what would be expected.	M	Assurance	10.00
P	3.00	Children's Services	Early Help					
P	3.01	Children's Services	Early Help	Top-Up Funding for SEN	Evaluate processes and controls supporting top-up funding for SEN within mainstream schools to ensure it supports overall objectives and is appropriately monitored and reported.	H	Assurance	20.00
P	3.02	Children's Services: Early Help	Children's Services: Early Help	Leadership Pay in Schools	Provide assurance that Leadership Team's pay is in accordance with the Teacher's Pay and conditions document and is appropriately justified and approved in accordance with agreed policies and procedures.	M	Assurance	20.00

P	3.03	Children's Services	Early Help	Youth Service	To provide assurance that the Service is operating effectively and meets objectives, in light of operational changes arising from Covid.	M	Assurance	15.00
P	4.00	Children's Services	Schools					
P	4.01	Children's Services	Schools	15 School Audits	To focus upon the financial systems and governance arrangements in place.	L	Assurance	6.00
P	5.00	Children's Services	School Funds					
Page 7	5.01	Children's Services	School Funds	10 School Fund Audits	Financial audit of private funds associated with the school.	L	Assurance	2.00
P	6.00	Economy						
P	6.01	Economy	Economy	Managed Workspaces	To evaluate whether the managed workspace facilities offered by the Council are operated well and in compliance with any relevant statutory or business requirements. Examples of managed workspaces include facilities such as Lock 50, Globe House and TOPS.	M	Assurance	20.00
P	7.00	Integrated Health & Care Commissioning						

P	7.01	Integrated Health & Care Commissioning	Integrated Health & Care Commissioning	Support for and evaluation of Governance structure	Provide support and challenge to the development of the governance arrangements as integration of Health and Social Care services evolves alongside the establishment of a Local Care Organisation, a Strategic Commissioning function, the operation of a Pooled Budget arrangement and the delivery of a savings plan for Health and Social Care. Evaluate the effectiveness of established governance arrangements including decision making and reporting structures where appropriate.	H		10.00
P	8.00	Neighbourhoods						
P	8.01	Neighbourhoods	Places	Equality and Diversity	Provide assurance whether the Council is meeting its Equality & Diversity obligations under the Public Sector Equality Duty, as referred to in the Council's own EDI Strategy 2020-2024, and within the wider context of the Equality Act 2010.	L	Assurance	15.00
P	8.02	Neighbourhoods	Places	Additional Investment in Highways	Evaluate the governance and controls over the use of additional financial investment provided to improve highways across the Borough	M	Assurance	15.00

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P	8.03	Neighbourhoods	Places	Planned Maintenance across property / estates	Review of the Maintenance Programme to ensure that when assets are disposed of then all associated charges should cease e.g. utility bills etc. unless there is an overriding reason for them not to.	M	Assurance	10.00
P	9.00	Neighbourhoods	Information & Communication Technology					
Page 9	9.01	Neighbourhoods	Information & Communication Technology	IT Disaster Recovery	Perform further follow up audit to confirm previously agreed actions in relation to IT disaster recovery are now fully embedded and incorporate developments such as the move to the Cloud.	H	Assurance	10.00
	P 9.02	Neighbourhoods	Information & Communication Technology	IT Asset Management	Evaluate processes and controls supporting the management and physical control of IT assets.	M	Assurance	20.00
	P 9.03	Neighbourhoods	Information & Communication Technology	Information Governance/ GDPR (ControCC)	Annual audit assurance to confirm compliance with data protection and data security legislation and relevant policies and guidelines, focusing on thematic reviews to confirm compliance with the General Data Protection Regulation (GDPR).	H	Core	15.00

P	9.03	Neighbourhoods	Information & Communication Technology	Patch & Vulnerability Testing	Building on previous higher level audits of cyber security, this audit seeks to evaluate the arrangements in place to ensure that Council IT systems and infrastructure are kept up to date with system software patches in a timely and secure manner.	H	Assurance	10.00
P	9.04	Neighbourhoods	Information & Communication Technology	Cyber Security - Elections	To evaluate whether the IT related aspects of providing an Elections service are operating well, with a particular emphasis on ensuring that they are free from cyber related risk that could affect the confidentiality, integrity and availability of systems used.	H	Assurance	10.00
Page 10								
P	10.01	Public Health & Wellbeing	Public Health & Wellbeing	Contain Outbreak Management Funding (CM	To confirm that expenditure is in line with terms and conditions.	M	Assurance	20.00
P	11.00	Resources	Finance					
P	11.01	Resources	Finance	Operating Expenditure/ Creditors	Evaluate the effectiveness of controls over the processing and recording of operating expenses. As part of this, follow up on anomalies identified by the fraud module within AP Forensics data interrogation software to confirm the integrity of relevant transactions and duplicate payments arising from invoices and payment requests for the same services.	M	Core	20.00

P	11.02	Resources	Finance	Priority Account Service	Evaluate the effectiveness of processes and controls which facilitate the early repayment of suppliers in order to generate rebates for the Council.	M	Core	10.00
P	11.03	Resources	Finance	Council Tax/ Business Rates	Review procedures and controls supporting the billing and collection of council tax and business rates, focusing on the processing of refunds to customers.	M	Core	15.00
P	11.04	Resources	Finance	Treasury Management	Provide assurance that controls are in place and are operating to manage Treasury Management activities with a particular focus on investments.	M	Core	10.00
P	11.05	Resources	Finance	Payroll	Review arrangements for identifying and recovering overpayments.	M	Core	15.00
P	11.06	Resources	Finance	Transformation Fund	Provide assurance that the transformation fund is well managed and that expected outcomes are being realised.	M	Core	15.00
P	11.07	Resources	Finance	Contracts	Evaluate arrangements in place in respect of Town Centre Regeneration Schemes to ensure that schemes comply with all necessary regulations and that expected outcomes from them are delivered.	M	Core	20.00
P	11.08	Resources	Finance	Procurements	To evaluate procurement arrangements with a view to ensuring that the risk of off-contract spend is duly minimised.	M	Core	20.00

P	11.08	Resources	Finance	Petty Cash	Ensure that petty cash arrangements are operating well and that the risk of fraud is duly minimised. Also, to consider whether alternatives to using petty cash may be a better option in certain circumstances.	L	Assurance	5.00
P	12.00	Resources	Governance					
P	12.01	Resources	Governance	Key Decisions	Review of decision making process to ensure that all agreed updates have taken place and are being followed	H	Assurance	20.00
P	12.02	Resources	Governance	Constitutional compliance	Effective use of the delegation process	M	Assurance	15.00
P	13.00	Resources	HR					
P	13.02	Resources	HR	Homeworking	Review of Wellbeing status of colleagues whilst enforced working from home.	M	Assurance	15.00
P	13.03	Resources	HR	Leaver Process	To ensure that the processes in place for dealing with leavers are working well, covering areas such as revocation of IT access permissions and return of Council assets and cessation of associated charges where applicable.	M	Assurance	10.00

P	13.03	Resources	HR	Drug & Alcohol Policy	Evaluate compliance with the Drug and Alcohol Policy ensuring appropriate awareness and acceptance of the Policy, especially in higher risk operational areas. Benchmark the Policy and ensure robust implementation and monitoring is in place.	M	Assurance	15.00
P	13.04	Resources	HR	Culture	Review culture of the authority	M	Assurance	10.00
P	14.00	Resources	R&B					
Page 13	14.01	Resources	R&B	Covid-19: Business Grants	To ensure that grants have been processed and awarded in accordance with the specified criteria, and to determine whether verification processes are effective.	M	Assurance	10.00
	P	14.02	Resources	R&B	Housing Benefit	To provide assurance on the adequacy and effectiveness of controls and processes in relation to the overpayments and recovery of housing benefit.	M	Assurance
P	15.00	Internal Audit 20-21	Internal Audit 20-21	Completion of audits from 2019/20 – planned and unplanned	Completion of audits from 2019/20 – planned and unplanned	N/A		
	15.01	Internal Audit 20-21	Internal Audit 20-21	Completion of audits from 2019/20 – planned and unplanned		N/A	N/A	50.00

P	16.00	Internal Audit						
P	16.01	Internal Audit	Audit Planning	Audit planning and liaison	Audit planning and liaison	N/A	N/A	34.00
P	16.02	Internal Audit	Audit Planning	Audit Recommendations	Follow up of audit recommendations to ensure completed	N/A	N/A	32.00
P	17.00	Governance	Governance					
Page 14	17.01	Governance	Governance	Coordination and support for key policies	Champion roles relating to business continuity, health and safety and equality.	N/A	Assurance	16.00
P	17.02	Governance	Governance	Support for and evaluation of Governance structure	Provide assurance on the effectiveness of the governance structure and input and challenge on relevant initiatives, including attendance and support for Governance Board.	M	Core	20.00
P	17.03	Governance	Governance	Annual Governance Statement	Evaluation of the Annual Governance Statement (AGS) to ensure it aligns with knowledge and understanding of structures and processes in place.	H	Core	12.00
P	17.04	Governance	Governance	Committee support and reporting	Attendance, reporting, training and support for Audit and Governance Committee and responding to issues raised by Members	H	Core	32.00

P	17.04	Governance	Governance	Risk and Insurance Management	Support, challenge and evaluate the embedding of risk management both corporately and within all Service areas. Management of the Insurance function.	M	Core	20.00
P	17.04	Governance	Governance	Ethical Governance	Evaluate the effectiveness of the processes supporting compliance with ethical governance principles.	L	Assurance/ Compliance	12.00
P	17.05	Governance	Governance	Audit resource set aside for consultancy work on key projects	Consultancy on key projects,	L	Assurance/ Compliance	20.00
P	18.00	Fraud	Fraud					0.00
Page 15	P	18.01	Fraud	Fraud	Managing the risk of fraud	M	Core	24.00
	P	18.02	Fraud	Fraud	National Fraud Initiative	M	Core	16.00
P	19.00	Overheads	Overheads					
P	19.01	Overheads	Overheads	Non-Chargeable Activity		N/A	N/A	85.00
P	20.00	Unplanned Work	Unplanned Work					

U	20.01	Unplanned Work	Non-fraud	Response to - new and emerging risks - issues identified during the year - management requests - ad hoc work Audit resource set aside to respond to suspected fraud issues, whistleblowing referrals or other investigations that may be requested.	Audit resource set aside to respond to new and emerging risks and issues identified during the year plus management requests and ad hoc work	N/A	N/A	100.00
U	20.02	Unplanned Work	Fraud		Audit resource set aside to respond to suspected fraud issues, whistleblowing referrals or other investigations that may be requested.	N/A	N/A	100.00
U	20.03	Unplanned Work	Covid-19 Support	Support for Covid- 19		N/A	N/A	20.00