

Internal Audit

Revised 2024/25 Plan



City of Lincoln Council
September 2024



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Summary

As stated within the original plan it is usual to fully review the plan mid-year to reflect the current risk environment and also align the remainder of the plan with the resources available. This process ensures that the work completed remains focussed on the areas of greatest value whilst remaining sufficient to support the annual audit opinion.

Since the original plan was drawn up there have been a number of changes made in response to the resources available. The Team has suffered the impact of vacancies since 2021/22 and also the suspension of the plan during the Covid pandemic. This has meant that a number of areas have not been audited within the preferred timeframes. In this respect the decision was taken to add on the audits which were not started from the 2023/24 plan to the 2024/25 plan, increasing the overall days to 342.5 (310 from the 2024/25 plan + 32.5 carried over from the 2023/24 plan).

We were successful in appointing to the Principal role in July. However the team has experienced a reduction in the number of audit days available due to increased time spent on recruitment, sickness, assisting the crematorium review and implementing processes for compliance with the new standards. The deficit has been reduced through the cessation of the provision of days to the County Council.

Following the inability to recruit to the part time Auditor role a decision was taken to amend the post to a full time career grade post. This means that the Team now consists of three full-time members of staff, which is an increase of 25%. However in the interim this increase covers training of the Auditor and induction of the Principal.

To account for the reduction in available audit days the plan has been reduced from 342.5 days to 314.5 days. The following audits have been removed:-

- Project Management
- Housing Strategy
- Western Growth Corridor -2 (2023/24)

These have been selected through a process used to prioritise the work including an assessment of the risk, both financial and non-financial, and has drawn on intelligence from across the council. Discussions with the auditees has also found that there are capacity issues within service areas which have led to audits either being recommended for removal or moved to a different quarter for completion.

The Audit Plan is not static and is reviewed throughout the year with changes reported to the Audit Committee. The Corporate Management Team are currently completing a review which may require future changes to be made to the plan.

Appendix A details the revised plan.

Appendix B details the changes made to the plan and the rationale behind the changes.

Annual Internal Audit Opinion

We are satisfied that the level and mix of resources - together with the areas covered in the plan - will enable the Head of Internal Audit to provide their annual internal audit opinion.

Appendix A – Revised Internal Audit Plan 2024/25

Revised plan for 2024/25 incorporating changes and audits carried over from the 2023/24 plan.

Audit Area	Assurance Sought	In Progress	Assurance Map RAG Rating Risk ¹	Internal Audit Risk Assessment ²	Strategic Risk Register	Corporate Priority	Management Request	Days
Financial Governance								
Council Tax (2023/24)	There are effective arrangements in place which ensure that council tax due to the Council is correctly identified, calculated, requested and accounted for. Refunds, discounts, exemptions and write-offs are correctly applied.	✓	G	9				6
Budget Management	Budgets are produced in line with the financial policies, approved, monitored and action taken on variances. Budgets are managed in line with Financial Procedure rules.		G	N/A	✓			8
Debtors	Debtors are raised appropriately, authorised with processes in place to collect payment. Write-offs and credit notes are authorised.		G	N/A				8
Housing Benefits and Council Tax Support – Key control	There are controls in place to ensure that HB and CTR is paid to the right people at the right time and for the correct amount. Local agreements are approved.		G	N/A				8
Governance and Risk								
Governance Healthcheck	Health check against the governance characteristics within the Centre of Governance and Scrutiny's Governance, Risk and Resilience Framework.	✓	G	11				1
Business Continuity	Business continuity plans are in place for all relevant areas, communicated and up to date.	✓	A	9	✓			8
Corporate Planning – Vision 2030	There are robust processes in place for the development of the corporate plan. The corporate plan is supported by evidence and links to the performance and service planning etc – golden thread.		N/A	N/A	✓			8
Counter Fraud	NFI, strategy, policy, health check, partnership, training, money laundering, identity.	✓	A	9				20

Audit Area	Assurance Sought	In Progress	Assurance Map RAG Rating Risk ¹	Internal Audit Risk Assessment ²	Strategic Risk Register	Corporate Priority	Management Request	Days
Risk Management	There is a risk management strategy in place which is up to date and embedded. Risk registers are completed, reviewed and contain appropriate mitigating actions.	✓	G	8	✓			10
Contract Management F/U	To review the recommendations made and ensure implemented with evidence of improvement.		A	8				8
Critical Activities								
Market Operations	The processes put into place contain the necessary controls and ensure that the objectives of the Market are achieved.		A	10	✓	✓	✓	10
Planned Maintenance	There is a programme of maintenance in place to ensure housing properties are maintained as required by regulations. The plan is adequately resourced both financially and capacity.		G	11		✓		10
Fleet	Review to ensure that the fleet is procured and managed in accordance with the policies and procedures. There are controls in place to ensure that fuel and consumables are used on council fleet vehicles and policies on private use of fleet vehicles are in place.	✓	A	12				10
Homelessness	Review of the homelessness service to ensure that it complies with regulations, objectives and performance, including the determination of applications.		G	11		✓		10
Parking Services	Review of the income collection processes and the strategy.	✓	G	12		✓		8
Housing Assistance (DFGs etc)	Review of the processes in place for Disabled Facilities Grants, Decent Homes and Security Grants.	✓	A	9		✓		10
Protection of vulnerable people	The processes and procedures in place for safeguarding, prevent, domestic violence, hate crime and modern slavery comply with recent legislation and are embedded throughout the Council.		G	8		✓		10

Audit Area	Assurance Sought	In Progress	Assurance Map RAG Rating Risk ¹	Internal Audit Risk Assessment ²	Strategic Risk Register	Corporate Priority	Management Request	Days
Programme / Project Assurance								
Western Growth Corridor - 3	Gateway review to provide assurance that appropriate partnership governance and programme management arrangements remain in place.		A	11	✓		✓	10
UK Shared Prosperity (2023/24)	The processes in place for the governance and management of the Fund including the management of the Expressions of Interest for projects.		A	12				8
GSW26	Assurance over the arrangements in place over the re-tendering of the contract.		G	11		✓		10
Towns Fund	Following on from the review in 2021/22 to provide assurance that appropriate arrangements remain in place for governance and programme management of the fund. Including spend and performance.		G	11		✓		10
ICT								
Access Control (2023/24)	To provide assurance over the processes in place for controlling access to systems, network and suppliers remote access control arrangements.	✓	N/A	N/A				7.5
Strategy and Infrastructure	To give assurance that policies and processes are appropriate for Councils current and future requirements; ICT strategy, management and board oversight, budget, infrastructure planning and risk management		A	N/A				10
ICT Support and helpdesk service	An assessment of the effectiveness of the ICT Service desk function using both assessment of key metrics and staff interviews. Objective: An assessment of the effectiveness of the ICT Service desk function using both assessment of key metrics and staff interviews.	✓	G	N/A				8
Follow-up								
Follow-ups	Follow-up of recommendations made for the progress report and on a sample basis.	✓	N/A	N/A				5

Audit Area	Assurance Sought	In Progress	Assurance Map RAG Rating Risk ¹	Internal Audit Risk Assessment ²	Strategic Risk Register	Corporate Priority	Management Request	Days
Combined Assurance								
Combined Assurance	Updating the assurance map and completing the Combined Assurance report.	✓	N/A	N/A				10
Days								231.5

Non-Audit	
Advice and liaison	
Annual Report	
Audit Committee	
Review IA Strategy and Planning	
Days	48

Grand Total	Total
HB Subsidy Testing	35
Total Internal Audit Days	314.5

Notes

¹ This was the rating provided during the assurance mapping process. There are three levels used to indicate the level of assurance given Red, Amber or Green the definitions are provided below:-

- Red - Low level of confidence and / or high risk currently facing the area. Management action still required.
- Amber - Medium level of confidence and / or medium risk currently facing the area with most management actions implemented.
- Green - High level of confidence and / or low risk currently facing the area with management action implemented.

² Each activity is assessed over a number of criteria resulting in an overall score. These scores are banded into R, A or G which signifies the level of inherent risk attributed to the activity. The criteria are:-

- Value / Volume - This assessment is based on either the cost to the council, the volume of transactions that the activity is handling or a combination of the two.
- Significance - This assessment reflects how important the activity is to the authority and its residents.
- Audit Rating – This is based on when the area was last audited and the outcome of the audit.
- Sensitivity/Profile - This assessment is about the impact if things went wrong, how much interest would there be and how much would this impact on reputation.
- Changes to people/systems – This assessment considers the changes within the area

which could impact on the level of risk.

Appendix B – Changes made to the Plan

Following our assessment of risk and review of business intelligence from across the council, the following changes have been made to the audits listed below. Information on the rationale for each change has also been included.

Audit	Assurance Sought	Assurance Map RAG Rating Risk	Internal Audit Risk Assessment	Change	Rationale
Project Management	There is a project management framework in place and used. The framework includes consideration of capacity and resources.	A	11	Removed from the 2024/25 plan (10 days).	There is insufficient capacity to accommodate this audit within the Service area. There are a number of other audits being undertaken involving this service area and the Manager is leaving in October.
Housing Strategy and New build / new homes	The Council has a plan in place that includes the delivery of new homes which is realistic and adequately resourced.	G	11	Removed from the 2024/25 plan (8 days).	Completion of the revised Housing Strategy has been delayed due to staff changes. It is not expected to be in a position to audit until at least Quarter 4.
Western Growth Corridor – 2 (2023/24)	To continue to provide assurance that appropriate partnership governance and programme management arrangements are in place for the relevant Phase.	A	10	Removed from the revised 2024/25 plan (10 days).	Capacity within the Audit Team delayed the audit and now the Project Team are at a critical stage and not able to accommodate the review. As there is already a review programmed for Q4 this one has been removed.