

Title of Report:	Annual Internal Audit Plan & Resources 2021/22
Committee Report Submitted To:	Audit Committee
Date of Meeting:	9th June 2021
For Decision or For Information	For Decision

Linkage to Council Strategy (2019-23)	
Strategic Theme	Leader and Champion
Outcome	Establish Key Relationships with Government, Agencies and potential key strategic partners
Lead Officer	Audit, Risk & Governance

Budgetary Considerations	
Cost of Proposal	£15,000 approximately
Included in Current Year Estimates	Yes
Capital/Revenue	Revenue
Code	Internal Audit
Staffing Costs	None

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals. N/A		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:

Table of Contents

1	Introduction.....	1
2	Resource Requirements	Error! Bookmark not defined.
3	Internal Audit Plan 2021/22.....	1
	Appendix A – Audit Resources	5

1 Introduction

This document sets out the programme for the provision of Internal Audit services to Causeway Coast and Glens Borough Council for 2021/22 and is based on the audit needs assessment as detailed in the Internal Audit Strategy 2019-2023. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps organisations accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control and governance processes.

The Internal Audit service for 2021/22 is provided as a shared service comprised of an in-house Audit officer and a team from an out-sourced provider (Moore NI).

2 Resource Requirements

In the 2021/22, an additional resource was built into the estimates process increasing the budget for internal audit from £84k to £128k. It is proposed that these additional resources are used to procure additional days to undertake some of the backlog audits that remain outstanding from 2019/20 due to the additional resources in the land disposals & easements audit and a vacancy within the section.

The additional audit resources has been included in the summary of audit resources included in Appendix A of the document with an additional 40 days included under the external contractor with 244 days detailed assurance work. The additional audit days indicated in the internal audit plan should be sufficient to provide reasonable assurance to the CEO, the Audit Committee and Council on the effectiveness of the Councils audit, risk and governance procedures and provide sufficient work to form the annual internal audit opinion.

It should be noted however that this is dependent on input from both parties within the co-sourced Internal Audit Service (as set out in Appendix A); should the resources available change during the year, we will amend the Internal Audit Plan accordingly and present a revised plan to the Audit Committee.

Our internal audit approach is risk-based. We recognise that the risks to Council may change during the current financial year and we will endeavour to take any significant changes in the Council's risk profile into account in our internal audit work.

3 Internal Audit Plan 2021/22

The following table sets out our proposed Audit Plan for the period 2021/22. A possible outline scope is included, but this may be amended to reflect key risks identified at audit planning stage. We will develop a timetable for each audit area to be covered following approval of this plan and discussion with senior management.

Audit Area	Days	Possible Outline Scope
Environmental Services Directorate		
Building Control	10	<ul style="list-style-type: none"> • Policies and Procedures • Fees and income • Application management • Recording of site inspections
Grounds Maintenance	10	<ul style="list-style-type: none"> • Risk assessment & health and safety • Operational planning & work prioritisation • Staff management • Control of equipment and assets
Estates & facilities servicing	10	<ul style="list-style-type: none"> • Service level agreements / leases • Asset Register • Management of facilities • Responsibilities of Council & 3rd Parties
Street Cleansing (incl. other cleaning & PCs)	10	<ul style="list-style-type: none"> • Health & Safety • Work Planning • Staff Management • Maintenance of PCs
Parks, play areas & cemeteries	8	<ul style="list-style-type: none"> • Health & Safety arrangements • Maintenance arrangements
Off – street car parking – enforcement and income collection	8	<ul style="list-style-type: none"> • Income collection and reconciliation • Banking of cash income • Enforcement process
Finance Directorate		
Payroll	8	<ul style="list-style-type: none"> • Starters and leavers • Changes to payroll standing data
Performance Directorate		
Legal advice	8	<ul style="list-style-type: none"> • Use of external legal advice • Policies and Procedures
Performance Improvement	10	<ul style="list-style-type: none"> • Identification of Performance Targets • Measurement of Targets • Application of APSE indicators
Civic buildings (general operations – opening/closing, cleaning, room hire, room bookings etc)	8	<ul style="list-style-type: none"> • To be determined
Leisure and Development Directorate		
Outdoor recreation & play parks (including playing fields)	8	<ul style="list-style-type: none"> • Health & Safety • Maintenance of Equipment & Play Areas
Arts & Cultural centres	8	<ul style="list-style-type: none"> • Arts Programme • Income • Asset management & usage of assets by third parties • Staffing arrangements • Inventory recording, update and monitoring
PCSP	6	<ul style="list-style-type: none"> • Governance • Funding allocation • Performance management
Events	13	<ul style="list-style-type: none"> • Rationale and approval of events • Assessment of risks • Management of events • Post – event evaluation

Audit Area	Days	Possible Outline Scope
Grant funding	12	<ul style="list-style-type: none"> Funding policies Advertising Assessment of applications Claims and verification of expenditure
Community Development / partnership arrangements	7	<ul style="list-style-type: none"> Reporting and Monitoring Guidelines in place when considering to engage.
Follow-up		
Follow-up audits of prior year reports with Limited Assurance Opinions	40	Follow-up of implementation of actions identified in response to recommendations made in previous audit reports
Follow-up of any other prior year recommendations	20	Follow-up of implementation of actions identified in response to recommendations made in previous audit reports
Audits carried forward from 2019/20 & 2020/21	40	Undertake and follow-up assignments due from 2019/20 & 2020/21 not completed.
Total	244	

It is recognised the dynamic environment that the Council operates within and that risks are continually changing. It is therefore appropriate that the audit plan is not regarded as being fixed and inflexible. The priority and frequency of our audit work may change in order to recognise any changes to key risks areas identified within the Council. At the beginning of each audit assignment we will also consult with appropriate senior officers to ensure that current risk areas are included in the remit for our work and agree the scope of the audit work to be carried out.

The annual internal audit plan provides 60 days for contingency and special investigations this includes:

- Ad hoc Advisory work
- Liaison with Risk Management Process
- Provision for investigations
- Fraud Risk Management Meetings
- Policy Maintenance & Training
- NIAO Liaison/Completion of Requirements

The audit approach for each assignment will involve:

- Consideration of relevant information and key risks relating to the review area
- Documentation of the systems including reviewing existing arrangements in place and discussions with key staff
- Identification of key risk mitigation measures and evaluation of their adequacy through appropriate tests, discussions with key staff and observation

Following our audit fieldwork for each assignment we will discuss and agree our findings with relevant Council officers and issue a draft audit report for management to respond to our findings. A full audit report will be presented to the Audit Committee.

Our audit plan has been developed to provide coverage on the key risk areas identified in the Council and therefore does not include audit assignments in all areas within the Council. We have however built some contingency days into our audit resources (see Internal Audit Strategy 2019-2023) and should any additional areas require specific attention, we will adjust our plan accordingly.

One additional exercise that internal audit is proposing to undertake during 2021-22 is to review the NFI data matching exercise currently performed by the Finance function.

Regular progress reports setting out our overall conclusions in each audit area and performance against plan will be provided to each Audit Committee meeting and an Annual Report will be presented at the end of the year presenting our overall assurance of the control environment within the Council.

Recommendation

It is recommended that Council approves the Annual Internal Audit Plan & Resources 2021/22.

Appendix A – Audit Resources

Description	Days 2021-2022		
	CCAG	Moore NI	Total
Available working days	260	136*	356
LESS:			
Holidays (including statutory holidays)	40		
CPD	12		
	<u>52</u>		-52
Management & Administration			
Strategic and annual audit planning	1	3	
Periodic reporting to Audit Committee	2	2	
Annual reporting	1	1	
Preparation for and attendance at Audit Committee	4	4	
Contract and performance review meetings (x 2)		2	
Administration	20		
Contingency and special investigations	60		
	<u>88</u>	<u>12</u>	-100
Available audit and consultancy days	120	124	<u><u>244</u></u>

*includes 40 days subject to approval