



Lancaster City Council 2021/2022 Internal Audit Plan

DRAFT

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MIAA Assurance - provision of cost effective assurance (governance, risk and control) Insight (advice and best practice) and foresight (supporting clients on up and coming issues).

These services are delivered in partnership with you to ensure they are personal and responsive, ensuring the best possible customer experience.

1 Executive Summary

Your Audit Service

We recognise the scale at which local government in England has been impacted by COVID-19. Our vision is for MIAA to continue to be a Trusted Advisor through the retention of personalised, local focus and relationships with the added benefits provided by an at scale provider. This is about MIAA continuing to build on its shared services capability to create a comprehensive offering, which provides insight and supports transformational change whilst operating efficiently.

MIAA continue to review and re-engineer our audit service and the way we provide assurance to meet your needs in the changing landscape.

Your Risk Assessment

We have undertaken a risk assessment, which has included a focus on mandated and core assurance areas as a priority and areas highlighted within the Annual Governance Statement. In addition, consideration has also been given to the 21/22 draft priorities identified by the previous Head of Internal Audit.

Your Internal Audit Plan

We have set out in Section 3, the reviews we propose to deliver as a priority for 2021/22 to support the Annual Head of Internal Audit Opinion. This equates to 200 days and the total fee proposed is £72,385.

The proposed plan is flexible and will be subject to ongoing review to ensure it remains focused on key priorities.

Your Team

Your team will be led by Louise Cobain, Engagement Lead and Jayne Wainwright, Engagement Manager. We can confirm sufficient resources, including specialist expertise have been established to deliver your service.



Louise Cobain
Engagement Lead
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Louise will oversee the framework, as Head of Internal Audit, for the delivery of the risk based audit plan that is designed to provide sufficient assurances to fulfil the requirements of the Head of Internal Audit Opinion on the effectiveness of internal control.

Louise will be responsible for leading and managing the MIAA audit team who will be delivering your plan and establishing good working relationships with senior and operational leads. Louise will act as the single point of contact for the service ensuring that staff are deployed according to their relevant knowledge, skills and experience.



Jayne Wainwright
Engagement Lead
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Jayne will be responsible for operationally leading the MIAA internal audit team to ensure successful delivery of internal audit reviews.

2 Your plan on a Page

Planning Approach

Given the constraints on time, it has been agreed with the Section 151 Officer that for 2021/22 the risk assessment has a focused upon mandated and core assurances and priority areas highlighted within the 2020/21 Annual Governance Statement.

As part of the planning process, we have also:

- assessed the 21/22 draft priorities identified by the Council's previous Head of Internal Audit
- undertaken focused assurance mapping,
- utilised MIAA's client risk database to inform planning.
- reviewed coverage of Critical Business Systems to support the organisation's objectives
- ensured provision of sufficient resources and expertise.
- confirmed compliance with Public Sector Internal Audit Standards (PSIAS).

Your Plan

The outcome of your risk assessment is summarised below:

CORE ASSURANCES

- Risk Management: Strategic & Operational Risk Management
- Main Accounting System
- P2P System Assurance
- Treasury Management
- Collection of Income and Reconciliations
- Housing Benefits
- Council Tax
- Business Rates (NNDR)
- Grants
- Property Investment Strategy / Capital Schemes
- Efficiency Programme Delivery
- Effectiveness of HR Arrangements
- Conflicts of Interest
- Information Governance

HEAD OF AUDIT ROLE

- Planning, Reporting and Audit Committee
- Year End Opinion
- Effectiveness Review

Follow Up and Contingency

Outcomes

Head of Internal Audit Opinion to inform the AGS

Assignment assurance levels

Recommendations, advice, and guidance to enhance the control environment

Insights through briefings, thought leadership events and benchmarking.

3 Operational Internal Audit Plan 2021/2022

Review & Scope	Risk Register Score	Planned Delivery	Assignment days
Core Assurances			
Risk Management – Evaluation of the risk management framework, incorporating both: <ul style="list-style-type: none"> Strategic Risk Management Operational Risk Management 	PSIAS Requirement	Qtr 1	10
Key Financial Controls: To provide assurance that the most significant key controls in the areas detailed in the scope below are appropriately designed and operating effectively in practice; <ul style="list-style-type: none"> Main Accounting System P2P System Assurance Treasury Management Collection of Income and Reconciliations 	9	Qtr 4 / Qtr 1 tbc	10
Housing Benefits – To ensure the system for benefit payments aligns to the appropriate regulations, are processed timely, supported by detailed evidence, and recouped when necessary.	Core Assurance	Qtr 1	10
Council Tax - To evaluate the effectiveness of the processes in place for Council Tax collection.	Core Assurance	Qtr 1	10
National Non-Domestic Rates (NNDR) - To evaluate the effectiveness of the processes in place for NNDR collection.	Core Assurance	Qtr 1	10
Grants - To ensure that the monies claimed can be supported by documentary evidence and the have followed due process.	Core Assurance	Qtr 1	10
Property Investment Strategy / Capital Schemes – Assurance is required regarding schemes / acquisitions are planned, approved and executed in line with policies, regulation and governance requirements.	12	Qtr 1	12
Efficiency Programme Delivery – To assesses the effectiveness of the arrangements– in place for the monitoring and delivery of the Efficiency Programme.	9	Qtr 1	12
Effectiveness of HR Arrangements –This review will focus specifically on the progress in relation to the recommendations made within the 2020 HR Assurance report.	12	Qtr 3	15
Conflicts of Interest and Gifts & Hospitality - To evaluate the design and operating effectiveness of the arrangements that the organisation has in place to manage conflicts of interest and gifts and hospitality.	Core Assurance	Qtr 1	10
Information Governance - To assess the robustness of the information governance framework, with a focus on the adequacy of policies and systems. Note: specific areas of focus tbc.	Core Assurance	Qtr 1	15

Review & Scope	Risk Register Score	Planned Delivery	Assignment days
FOLLOW UP & CONTINGENCY			
Follow Up of Prior Year Recommendations - This will focus upon the critical /high priority recommendations in the following areas: - Procurement & Contract Management - Data Protection - Insurance - Legal Fees, Charges & Debt Recovery	PSIAS Requirement	Qtr 4 / Qtr 1 tbc	15
Contingency	PSIAS Requirement	As required	2
HEAD OF AUDIT ROLE: PLANNING / MANAGEMENT / REPORTING			
Planning, Reporting & Audit Committee	-PSIAS Requirement	Qtr 3 / 4 / 1	12
Head of Internal Audit Opinion & Annual Report	PSIAS Requirement	Qtr 1	5
Effectiveness Review	Risk Assessment	Qtr 1	2

DELIVERY OF THE INTERNAL AUDIT PLAN

- There will be ongoing assessment of the plan and the plan re-prioritised as appropriate, subject to approval from the s151 Officer and Audit Committee.
- We will confirm if audits are to be conducted remotely or require onsite presence.
- We will liaise with you to discuss the potential postponement any planned audits of areas providing critical services (or require input from key individuals)
- Where appropriate, we will seek agreement with you to extend due dates for the implementation of actions based on new risks/priorities.
- We will continue to fully communicate with the Audit Committee to keep them apprised as things develop.
- We will continue to discuss with the organisation the impact of Covid-19 on its 1st and 2nd lines of defence and the potential internal control implications.
- All our work will continue to be delivered in full compliance with the Public Sector Internal Audit Standards (PSIAS).
- Whilst organisations are moving into the recovery phase we fully appreciate that this is still a fluid position and we will therefore be communicating with you on a regular basis to keep the focus on the delivery of your Annual Audit Opinion



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