Pendle Borough Council
DRAFT Internal Audit Plan – 2021/2022

Contents

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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 Team

Your Audit Service

We recognise the scale at which local government in England has been impacted by COVID-19. As a predominant provider of internal audit in the North West we have unique insight and opportunity to support, advise and assure at both organisation and system levels. To do this, we are continuing to build on our strengths and transform the way we work.

Your Internal Audit Plan

Your internal audit service includes core assurances, national and regional risk areas, strategic risks from your corporate risk register and management requests. MIAA insights, including benchmarking, briefings and events will be integral to your plan. Your fees for 2021/2022 are £82,800.

Your Risk Assessment

A strong risk assessment underpins the Internal Audit Plan. We have clearly set out the risks which have been prioritised within the audit plan and those which are not.

Your Team

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

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2 Your Assurance and Solutions Services

The local government landscape in England continues to change, and the impact of COVID-19 is likely to be felt for many years to come.
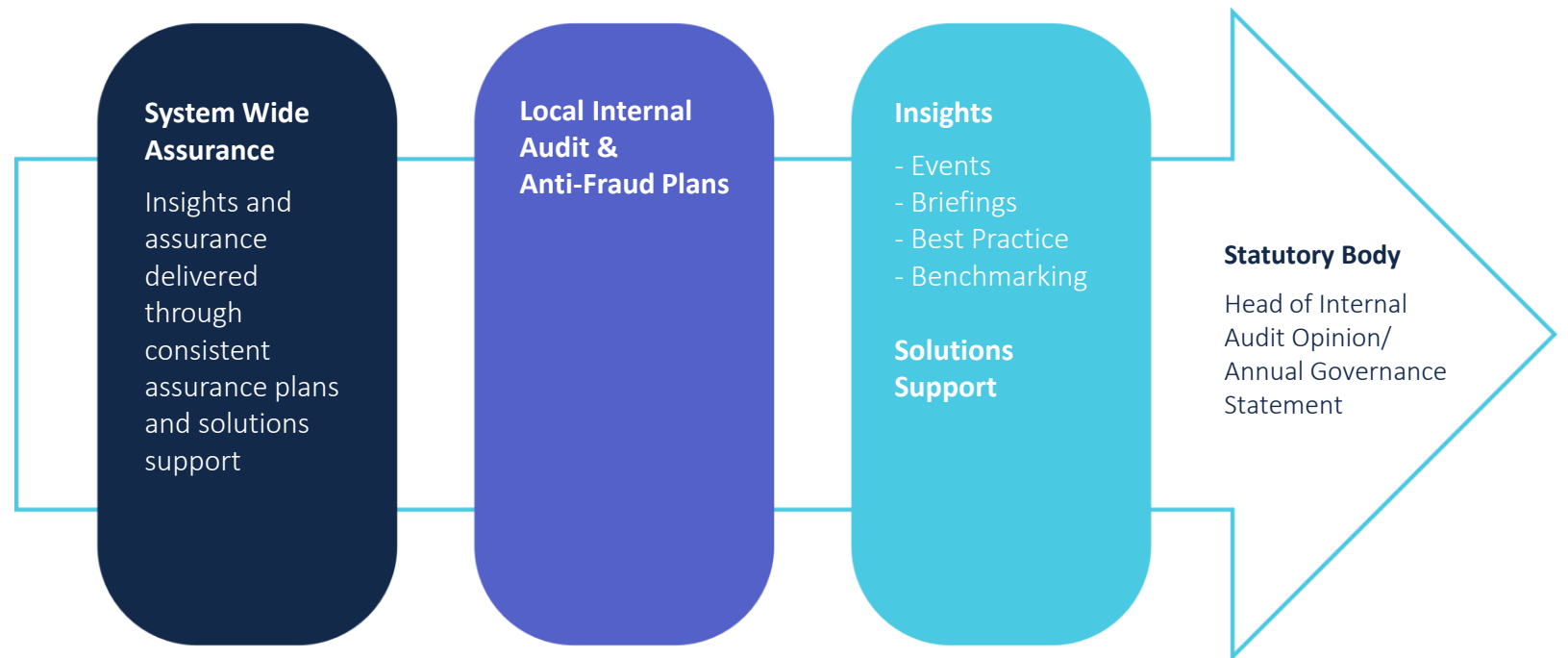
Our vision is for MIAA to continue to be a Trusted Advisor through the retention of personalised, local focus and relationships with the added benefits provided by an at scale provider.

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.

This is about risk assessment at every level and regrouping audit, anti-fraud plans and advisory commissions to support organisations and local systems.

Internal Audit, Assurance and Solution Plans

System Wide Assurance

Insights and assurance delivered through consistent assurance plans and solutions support

Local Internal Audit & Anti-Fraud Plans

Insights

- Events
- Briefings
- Best Practice
- Benchmarking

Solutions Support

Statutory Body

Head of Internal Audit Opinion/ Annual Governance Statement

3 Transforming Internal Audit

Internal Audit, Assurance and Solution Plans

We have always been quick to respond to changes in our clients operating environment and 2020/2021 saw our teams work flexibility and agilely to deliver your internal audit service.

In 2021/2022 we will take the lessons learned from our response to the COVID-19 pandemic to continue to innovate audit delivery and further utilise analytics and Agile techniques. There are many different approaches to Agile auditing with the emphasis being on flexibility and we'll work with you to implement the techniques that add the most value.

Assignment Planning

- Detailed collaborative planning sessions between MIAA and organisational leads

Fieldwork Delivery

- Dividing work into small chunks (sprints) to increase focus and provide real-time challenge and add value
- Regular updates and rapid escalation

Reporting/Feedback

- Fast feedback – quick feedback and responses to findings

Future Focus

- Iteratively prioritise focus based on review findings to provide further assurance or target other areas for review

4 Risk Assessment

Your Risk Assessment

Your internal audit plan is built from a risk assessment which has considered national and local system risks, and your local strategic risk assessment.

Governance & Demographic Oversight

- Partnership Working
- Leisure Trust
- Insurance
- Conflicts of Interest (gifts and hospitality)
- Client Function

Finance, Performance & Sustainability

- Council Tax & NNDR
- Housing Benefits
- Contract Audit
- Core Financial Systems and Processes
- Grants - DFG
- Covid-19 recovery Plan

Your Risk Assessment

Service Delivery, support & Business Services

- Land Charges
- Joint Ventures
- Emergency Preparedness

Information Technology

- ICT Strategy
- Cyber Security

People

- Health & Wellbeing
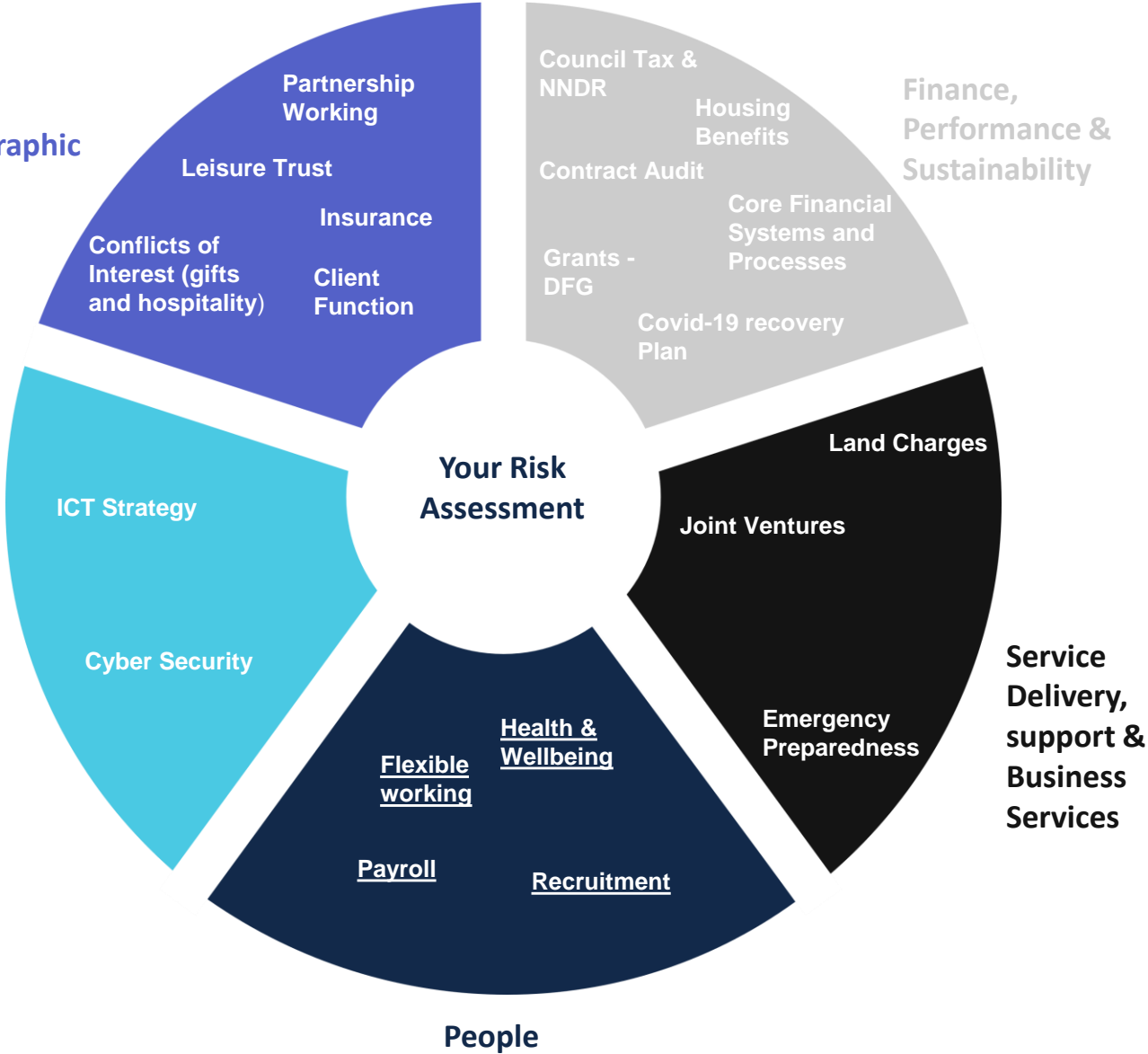- Flexible working
- Payroll
- Recruitment

Key

- Risk areas in white are included in your 2021/2022 Plan
- Risks underlined are currently not priorities in your 2021/2022 Plan

IA coverage will also include follow up of outstanding internal audit actions

5 Your plan on a Page

Planning Approach

- Risk Assessment of the organisation and external environment.

- Engagement of Accounts & Audit Committee, Directors and management to influence the plan.

- Use of MIAA's client risk database to inform planning.

- Coverage of Critical Business Systems to support organisation's objectives through the strategic internal audit plan.

- Provision of sufficient resources and expertise.

- Compliance with Public Sector Internal Audit Standards (PSIAS).

Your Plan

The outcome of your risk assessment is summarised below:

Service Reviews
Delivered at council level providing local assurance
- **Leisure Trust**
- **Partnership Working – Education, Skills & Employment**
- **Insurance**
- **Conflicts of Interest and Gifts & Hospitality**
- **Client Function**
- **Key Financial Systems**
- **Council Tax and NNDR**
- **Housing Benefits**
- **Contract Audit**
- **Grants (DFG)**
- **Covid-19 Recovery Plan**
- **Land Charges**
- **Joint Ventures**
- **Emergency Preparedness**
- **ICT Strategy**
- **Cyber Security**

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.

Appendix A – Operational Internal Audit Plan 2021/22

Review & Scope	Risk Register Score	Planned Delivery	Assignment days
Governance & Demographic Oversight			
Leisure Trust – Client monitoring of performance to ensure continuity of level of service.	A1	Q2	10
Partnership working – To consider the Council's involvement and assurances received to ensure working collaboratively to work with the residents of Pendle and sustain/ improve services of good value. It is proposed that Education, Skills and Employment will be the focus in 2021/ 22.	A2	Q3	10
Insurance – To ensure that the Council has effective arrangements in place for the assessment and handing of claims in line with a robust Insurance Strategy.	A2	Q3	9
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 system	Q1	9
Client Function - To provide assurance that the Council has robust arrangements in place to monitor performance in respect of functions carried out under contact by Liberata UK Ltd.	B2	Q2	10
Finance, Performance & Sustainability			
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; • Main Accounting System • Debtors • Creditors • VAT	Core system	Q4	30
Council Tax & National Non-Domestic Rates (NNDR) - To evaluate the effectiveness of the processes in place for Council Tax and NNDR collection.		Q4	15
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.		Q4	10

Review & Scope	Risk Register Score	Planned Delivery	Assignment days
Finance, Performance & Sustainability cont'd			
Contract Audit - To provide assurance on the various processes for the procurement of high value goods and services, including the process for waiver of Standing Financial Instructions to allow waiver of tender or quotation action.	Core system	Q1	10
Grants (Disabled Facilities Grants) - To ensure that the monies claimed can be supported by documentary evidence and the have followed due process.		Q2	10
COVID-19 Recovery Plan – To identify the impact of the pandemic has had on the ability to deliver services, and the way in which the Council has engaged with partners.	A1	Q1	10
Service Delivery, Support & Business Services			
Land Charges – To ensure compliance with the Land Charges Act 1972 and that robust records are maintained for the register of land charges, budget monitoring and effective communication channels between departments.	Core system	Q4	9
Joint Ventures – To ensure adequate corporate arrangements in place to manage key JV risks and that for individual arrangements: • Expected outcomes are being achieved • Effective governance arrangements are in place • There is appropriate monitoring of financial management.	C2	Q3	10
Emergency Preparedness – To ensure that the council has robust and tested emergency plans in place and that any lessons learnt have been identified and implemented.	A2	Q1	10

Review & Scope	Risk Register Score	Planned Delivery	Assignment days
Information & Technology			
ICT Strategy - To review the Council's ICT Strategy to ensure fit for purpose, efficient and secure.	Risk Assessment	Q1	10
Cyber Security – To assess the effectiveness of the organisation's cyber defence framework.		Q3	10
Follow Up, Contingency & Anti-Fraud Services			
Anti-Fraud Support – based on a core service support, with additional call-off days if required.	-	Q1 – Q4	20
Follow Up	Mandated	Quarterly	10
Contingency 3		As required	3
Head of Internal Audit Opinion & Annual Report		Q4	5
Planning & Management	PSIAS	Q1 – Q4	10
Reporting & Meetings		Q1 – Q4	10

Appendix B – 3 Year Strategic Audit Plan

Audit Plan Outputs	2021/22	2022/23	2023/24	Risk Source
GOVERNANCE & DEMOGRAPHIC OVERSIGHT				
Leisure Trust	•			Risk Register
Partnership working	•			Risk Register
Insurance	•			Risk Register
Conflicts of Interest and Gifts & Hospitality	•			Core System Assurance
Client Function	•	•	•	Risk Register
Partnership Working – Skills & Employment		•		Risk Register
Partnership Working - Housing		•		Risk Register
Partnership Working - Health			•	Risk Register
Corporate Health & Safety			•	Core System Assurance
FINANCE, PERFORMANCE & SUSTAINABILITY				
Key Financial Systems	•	•	•	
Council Tax & National Non-Domestic Rates (NNDR)	•	•	•	
Housing Benefits	•	•	•	Core/ Regulatory System Assurance
Procurement / Contracts	•	•	•	
Grants (Disabled Facilities Grants)	•			
COVID-19 Recovery Plan	•			Risk Register
Treasury Management		•		Core System Assurance
Payroll		•		Core System Assurance
SERVICE DELIVERY, SUPPORT & BUSINESS SERVICES				
Land Charges	•			Core System Assurance
Joint Ventures	•			Risk Register
Emergency Preparedness	•			Risk Register
Cemeteries		•		
Legal Services		•		
Refuse / Recycling		•		
Parking Enforcement		•		
Licensing			•	Ongoing programme
Hackney Carriages & Private Hire			•	
Member & Staff Allowances			•	
Stores – Vehicle, Plant & Salvage			•	
Building Control – Planning Fees/Section 106 Agreement			•	
INFORMATION & TECHNOLGY				
Critical Application Review (i.e. Electoral Register)			•	Risk Assessment
Cyber Security	•			Risk Assessment
ICT Service Continuity		•		Risk Register
Public Sector Network (PSN) Compliance & Migration Plans		•		Regulatory requirement
ICT Strategy	•			Risk Register
User & Privileged User Management			•	Risk Assessment
GDPR			•	Regulatory requirement
FOLLOW UP, CONTINGENCY & ANTI-FRAUD SERVICES				
Anti-Fraud Support	•	•	•	Core Assurance
Follow Up	•	•	•	PSIAS Requirement
Contingency	•	•	•	PSIAS Requirement
PLANNING & REPORTING				
Annual Audit Opinion and Annual Report (including risk management)	•	•	•	PSIAS Requirement
Planning & Management	•	•	•	PSIAS Requirement
Reporting & Meetings	•	•	•	PSIAS Requirement
Total Internal Audit Plan Days	240	240	240	