

Committee Name: Audit

Committee Date: 08/03/2022

Report Title: Strategic and Annual Internal Audit Plans 2022/23

Portfolio:	Cllr Paul Kendrick
Report from:	Internal Audit Manager – Norwich City Council
Wards:	‘All Wards’
OPEN PUBLIC ITEM	

Purpose

This report provides an overview of the stages followed prior to the formulation of the Strategic Internal Audit Plan for 2022/23 to 2025/26 and the Annual Internal Audit Plan for 2022/23.

The Annual Internal Audit Plan will then serve as the work programme for the Council's Internal Audit Services Contractor; TIAA Ltd under the new consortium arrangement commencing 1 April 2022.

It will also provide the basis for the Annual Audit Opinion on the overall adequacy and effectiveness of Norwich City Council's framework of governance, risk management and control.

Recommendation:

That Audit Committee endorses:

- a) the Internal Audit Charter;
- b) the Internal Audit Strategy;
- c) the Strategic Internal Audit Plans 2022/23 to 2025/26; and
- d) the Annual Internal Audit Plan 2022/23.

Policy Framework

The council has five corporate aims, which are:

- Aim 1 - People live independently and well in a diverse and safe city.
- Aim 2 – Norwich is a sustainable and healthy city.
- Aim 3 – Norwich has the infrastructure and housing it needs to be a successful city.

- Aim 4 – The city has an inclusive economy in which residents have equal opportunity to flourish.
- Aim 5 – Norwich City Council is in good shape to serve the city.

This report is relevant for all five corporate aims.

Report

1. The Accounts and Audit Regulations 2015 require that “a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.
2. Those standards are set out in the Public Sector Internal Audit Standards (PSIAS) which came into effect in April 2013.
3. The attached report contains;
 - (a) the Internal Audit Charter, outlining Internal Audit Purpose, Authority, and Responsibilities of Internal Audit;
 - (b) the Internal Audit Strategy, which is a strategic high-level statement on how the internal audit service will be delivered and developed in accordance with the charter and how it links to the organisational objectives and priorities;
 - (c) the Strategic Internal Audit Plan, which details the plan of work for the next three financial years; and
 - (d) the Annual Internal Audit Plan, which details the timing and the purpose of each audit agreed for inclusion in 2022/23.

Consultation

4. The audit planning approach has been developed through consultation with Heads of Services within the Council, the Council's Senior Management Team and the Council's Chief Financial (S151) Officer.

Implications

Financial and Resources

5. From 1 April in line with Cabinet approval, the Internal Audit Service will be provided by way of a Partnership Agreement with South Norfolk Council. South Norfolk Council will provide the role of the Head of Internal Audit and Contract Manager to Norwich City Council and the service provision i.e. delivery of the audits, will be provided through a contract with TIAA Ltd. The Internal Audit plan for 2022/23 will be delivered in line with the agreed budget.

Legal

6. The maintenance of an adequate and effective internal audit service is a statutory requirement. The provision of an audit plan covering the principal risk areas of the Council is an important part of assuring that the Council is achieving value for money.

Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	Not applicable for this report.
Health, Social and Economic Impact	Not applicable for this report.

Crime and Disorder	Not applicable for this report.
Children and Adults Safeguarding	Not applicable for this report.
Environmental Impact	Not applicable for this report.

Risk Management

7. The consideration of Risk Management measures is a key element of the audit planning process.

Other Options Considered

8. Not applicable for this report.

Reasons for the decision/recommendation

9. To ensure adequate levels of coverage are provided to enable an opinion to be given on the governance, risk management and control.

Background papers:

None

Appendix: Strategic and Annual Internal Audit Plans 2022/23

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Eastern Internal Audit Services



NORWICH CITY COUNCIL

Strategic and Annual Internal Audit Plans 2022/23

Responsible Officer: Head of Internal Audit

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1. INTRODUCTION

- 1.1 On 14 April 2021, Cabinet considered options for the future operating model for the council's internal audit function. Cabinet endorsed the decision of the Executive Director of Corporate & Commercial Services to delegate to South Norfolk the provision of internal audit services through the Eastern Internal Audit Services Consortium.
- 1.2 The primary opportunities presented by this arrangement are increased resilience and access to a wider range of specialist skills (e.g. specialist IT audit knowledge and risk-based auditing). Under the arrangement, the role of the Head of Internal Audit is provided by South Norfolk Council and the resources to undertake the audit work provided by an external contractor (currently TIAA Ltd).
- 1.3 The original decision to join the consortium was paused in June 2021 as a result of it being the final year of the current contract between South Norfolk and TIAA Ltd and the related impact on the TUPE of the two NoCC staff. Instead, the council entered into a Memorandum of Understanding (MOU) with South Norfolk District Council to provide the Head of Internal Audit function and manage the delivery of the internal audit plan until new contract takes effect from 1 April 2022. The internal audit employees continued to remain with the council.
- 1.4 South Norfolk have now completed the procurement process for the new supplier with the contract award approved by South Norfolk Cabinet. Consultation will recommence with the two Norwich internal staff regarding their proposed TUPE transfer to the third-party supplier.
- 1.5 The expectation is therefore that the delegation to the South Norfolk and participation in the consortium arrangement will take effect from 1 April and the 2022/23 plan will be delivered using the new operating model.
- 1.6 The Accounts and Audit Regulations 2015 require that "a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".
- 1.7 The Public Sector Internal Audit Standards (PSIAS) mandate a periodic preparation of a risk-based plan, which must incorporate or be linked to a strategic high-level statement on how the internal audit service will be delivered and developed in accordance with the charter and how it links to the organisational objectives and priorities, this is set out in the Internal Audit Strategy.
- 1.8 The development of a risk-based plan takes into account the organisation's risk management framework. The process identifies the assurance (and consulting) assignments for a specific period, by identifying and prioritising all those areas on which objective assurance is required. This is then also applied when carrying out individual risk-based assignments to provide assurance on part of the risk management framework, including the mitigation of individual or groups of risks.
- 1.9 The following factors have been considered when developing the internal audit plan:
 - The risk profile and maturity of the Council;
 - Previous assurance gradings given in each area;
 - The Council's strategic priorities;
 - Any declarations to avoid conflicts of interest;
 - The requirements of the use of specialists e.g. IT auditors;

- Striking the right balance over the range of reviews needing to be delivered, for example risk-based reviews, specific key controls testing, value for money and added value reviews;
- The time required to carry out the audit planning process effectively as well as regular reporting to and attendance at Audit Committee, the development of the annual report and opinion and the Quality Assurance and Improvement Programme.

1.10 In accordance with best practice the Audit Committee should '*review and assess the annual internal audit work plan*'.

2. AUDIT CHARTER

- 2.1 There is an obligation under the PSIAS for the Charter to be periodically reviewed and presented. This Charter is therefore reviewed annually by the Head of Internal Audit to confirm its ongoing validity and completeness, and presented to the Section 151 Officer, and the Audit Committee every two years, or as required for review. The Charter has been prepared outlining the Internal Audit arrangements from April 22 onwards when the Council is due to become part of the South Norfolk Internal Audit consortium. The Charter is attached at **Appendix 1**.
- 2.2 As part of the review of the Audit Charter the Code of Ethics are also reviewed by the Head of Internal Audit, and it is ensured that the Internal Audit Services contractor staff, as well as the Head of Internal Audit and Internal Audit Trainee adhere to these, specifically with regard to integrity, objectivity, confidentiality and competency. Formal sign off to acceptance of the Code of Ethics is retained by Eastern Internal Audit Services.

3. INTERNAL AUDIT STRATEGY

- 3.1 The purpose of the Internal Audit Strategy (**see Appendix 2**) is to confirm:
- How internal audit services will be delivered;
 - How internal audit services will be developed in accordance with the internal audit charter;
 - How internal audit services links to organisational objectives and priorities; and
 - How the internal audit resource requirements have been assessed.

4. STRATEGIC INTERNAL AUDIT PLAN

- 4.1 The overarching objective of the Strategic Internal Audit Plan (**see Appendix 3**) is to provide a comprehensive programme of review work over the next three years, with each year providing sufficient audit coverage to give annual opinions, which can be used to inform the organisation's Annual Governance Statement.
- 4.2 The coverage over the forthcoming three years has been discussed with Corporate Leadership Team to ensure audits are undertaken at the right time, at a time where value can be added, as well as ensuring sufficient coverage for an Annual Opinion on the framework of governance, risk management and control.

5. ANNUAL INTERNAL AUDIT PLAN

- 5.1 Having developed the Strategic Internal Audit Plan, the Annual Internal Audit Plan is an extract of this for the forthcoming financial year (**see Appendix 4**). The plan includes the areas being

reviewed by Internal Audit, the number of days for each review, the quarter during which the audit will take place and a brief summary and purpose of the review.

- 5.2 The Annual Internal Audit Plan for 2022/23 totals 375 days, encompassing 27 internal audit reviews, three of which cover IT processes.
- 5.4 Audit verification work concerning audit recommendations implemented to improve the Council's internal control environment will also be undertaken throughout the financial year.
- 5.5 Depending on any changes to the control environment over the year, the annual internal audit plan may need to be revised to respond to emerging risks. The Head of Internal Audit will regularly review the Corporate Risk Register and report through to the Committee any necessary changes to the plan of work.

APPENDIX 1 – INTERNAL AUDIT CHARTER



EASTERN INTERNAL AUDIT SERVICES

INTERNAL AUDIT CHARTER FOR 2022/23

1. Introduction

- 1.1 The Public Sector Internal Audit Standards (PSIAS) came into effect from 1 April 2013, these provide a consolidated approach across the public sector encouraging continuity, sound corporate governance and transparency.
- 1.2 The Standards require all internal audit services to implement, monitor and review an internal audit charter; this formally defines the internal audit's purpose, authority and responsibility, and is a mandatory document.
- 1.3 The charter also displays formal commitment to and recognises the mandatory nature of the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics and the Standards, i.e., the International Professional Practices Framework (IPPF).
- 1.4 This Internal Audit Charter is applicable to each of the following internal audit consortium members covered by Eastern Internal Audit Services (EIAS).
 - Breckland District Council;
 - Broadland District Council;
 - Great Yarmouth Borough Council;
 - North Norfolk District Council;
 - South Holland District Council;
 - South Norfolk Council;
 - Broads Authority; and
 - Norwich City Council (April 2022 onwards).
- 1.5 The term Local Authority will be used to describe the above consortium members throughout the Charter.
- 1.6 **Mission**

Standards require the Internal Audit Function to articulate its overall purpose and summarise the way it will provide value to the organisation. The mission statement for EIAS is as follows:

“Protecting each of our consortium members ability to enhance value through the provision of independent risk-based assurance and advice”
- 1.7 This charter:
 - Establishes the position and reporting lines of internal audit;

- Outlines provision for unrestricted access to information, officers, management and members as appropriate;
- Sets the tone for internal audit activities;
- Defines the nature and scope of internal audit services, in particular assurance and consultancy services; and
- Sets out the nature and scope of assurance provided to other parties.

1.8 The charter is to be periodically reviewed and presented to Senior Management and the Board for approval. The charter will be reviewed annually by the Head of Internal Audit to confirm its ongoing completeness and validity and presented to Senior Management and the Audit Committee every two years for review.

2 Purpose, Authority and Responsibility

2.1 Purpose

2.1.1 Internal auditing is best summarised through its definition with the Standards, *“an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”*.

2.1.2 Internal audit will provide reasonable assurance to each member of the Internal Audit Consortium, that necessary arrangements are in place and operating effectively, and to identify risk exposures and areas where improvements can be made.

2.2 Authority

2.2.1 The Accounts and Audit Regulations (England) 2015, states that the relevant body must; *“undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”*. The statutory requirement for internal audit is recognised in the Constitution of each Local Authority and the internal auditing standards in this regard are the Public Sector Internal Audit Standards.

2.3 Responsibility

2.3.1 The responsibility for maintaining an adequate and effective internal audit to evaluate risk management, control and governance processes lies with each Local Authority’s Chief Finance Officer (the Section 151 Officer or Section 17 Officer).

2.3.2 The Local Authority and its Members must be satisfied about the adequacy of the advice and support it receives from internal audit.

2.3.3 Internal audit is provided by Eastern Internal Audit Services, with the Chief Audit Executive being responsible for ensuring the internal audit activity is undertaken in accordance with the definition of internal auditing, the code of ethics and the standards for all consortium members.

2.3.4 Senior management are responsible for ensuring that internal control, risk management and governance arrangements are sufficient to address the risks facing the Local Authority. Accountability for responding to internal audit rests with senior management who either accept and implement the recommendations, or formally reject them. Any advice that is rejected will be formally reported to senior management and the respective Audit Committee.

3 Key Relationships and Position in the Organisation

- 3.1 The standards require the terms 'Chief Audit Executive', 'Board' and 'Senior Management' to be defined in the context of the governance arrangements in each public sector organisation in order to safeguard the independence and objectivity of internal audit. The following interpretations are applied within Eastern Internal Audit Services.

3.2 Chief Audit Executive

- 3.2.1 The Chief Audit Executive is based at South Norfolk Council and provides the Head of Internal Audit role to all consortium members.

At South Norfolk Council, the Chief Audit Executive reports to the Chief of Staff who reports to the Managing Director of South Norfolk and Broadland.

- 3.2.2 The Head of Internal Audit also report functionally to each Section 151 Officer or Section 17 Officer at all other members of the consortium.

- 3.2.3 The Head of Internal Audit has a direct line of reporting and unfettered access to each Chief Executive, the Senior Management Team at each Local Authority and the Chair of the Board at each Local Authority.

- 3.2.4 The delivery of the Annual Audit Plans for all consortium members and any specified ad-hoc assignments is provided by an external contractor, TIAA Ltd from 1 April 2015. The Head of Internal Audit manages this contract.

3.3 Board

- 3.3.1 In the context of overseeing the work of Internal Audit at each Local Authority, the 'Board' will be the Audit Committee (or equivalent) of the Local Authority, which has been established as part of the governance arrangements. The Audit Committee's responsibilities are discharged through each of the Local Authority's Constitution's and explicitly referred to in each terms of reference.

- 3.3.2 This functional reporting includes;

- Approving the audit charter, audit strategy and risk based annual plans;
- Receiving regular reports on the outcomes of internal audit activity and performance;
- Receiving regular reports on management action in relation to agreed internal audit recommendations;
- Receiving the Annual Report and Opinion of the Head of Internal Audit, alongside a conclusion as to the effectiveness of internal audit;
- Overseeing External Assessments of the Internal Audit Service, at least once every 5 years.

- 3.3.3 Internal Audit work closely with the chair and members of the Audit Committee to facilitate and support their activities, part of which includes facilitating a self- assessment and providing training.

3.4 Senior Management

- 3.4.1 'Senior Management' is those individuals responsible for the leadership and direction of the organisation, and are responsible for specific aspects of internal control, risk management and governance arrangements. There is effective liaison between internal audit and senior management to ensure that independence remains, and provides for a critical challenge.

- 3.4.2 The Head of Internal Audit meets regularly with the Section 151 Officer or Section 17 Officer to ensure organisational awareness is maintained, to discuss progress with the agreed Internal Audit Plan and to maintain a good working relationship. These arrangements facilitate discussions in relation to the current and emerging risks and issues to ensure that the internal audit plan of work remains reflective and responds as required.

3.5 External Audit

- 3.5.1 Regular liaison is maintained with External Audit to consult on audit plans, and to discuss matters of mutual interest. The external auditors have the opportunity to take account of the work of internal audit where appropriate.

3.6 Other Internal Audit Service Providers

- 3.6.1 Where appropriate internal audit will liaise with other internal audit providers, where shared arrangements exist. In such cases, a dialogue will be opened with the Head of Internal Audit to agree a way forward regarding the auditing of such shared services. This is to ensure an efficient and effective approach, and enable reliance on each other's outcomes. Where formal arrangements are entered into, a protocol will be determined and agreed by both parties.
- 3.6.2 Internal audit will also co-operate with all external review and inspection bodies that are authorised to access and evaluate the activities of the Local Authority, to determine compliance with regulations and standards. Assurances arising from this work will be taken into account where applicable.

4 **Rights of Access**

- 4.1 Internal audit, with strict accountability for confidentiality and safeguarding records and information, is authorised to have the right of access to all records, assets, personnel and premises and has authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities. This access is full, free and unrestricted and is set out in each Local Authority's Constitution.
- 4.2 Such access shall be granted on demand and shall not be subject to prior notice, although in principle, the provision of prior notice will be given wherever possible and appropriate, unless circumstances dictate otherwise.

5 **Objective and Scope**

- 5.1 The provision of assurance services is the primary role of Eastern Internal Audit Services, thus allowing the Head of Internal Audit to provide an annual audit opinion on the adequacy and effectiveness of the Local Authority's framework of governance, risk management and control, together with reasons if the opinion is unfavourable.
- 5.2 Internal audit will also provide consultancy services, at the request of management. These reviews are advisory in nature and generally performed to facilitate improved governance, risk management and control. This work may contribute to the annual audit opinion.
- 5.3 Whichever role / remit is carried out by internal audit the scope is to be determined by internal audit, through discussions with senior management, however this scope will not be unduly bias nor shall it be restricted.

- 5.4 A risk based Strategic Internal Audit Plan will be developed each year to determine an appropriate level of risk based audit coverage required to generate an annual audit opinion. The plan will be derived from risk assessments, discussions with Senior Management and Audit Committee taking prior year's assurance results into account.
- 5.5 Each audit review will be designed to provide evidence based assurance over the management of risk and controls within that area. The results of each review will be shared with management so that any required improvements can be actioned to restore satisfactory systems of internal control.
- 5.6 It is management's responsibility to control the risk of fraud and corruption; however internal audit will be alert to such risks in all the work that is undertaken. In addition, the Head of Internal Audit are either responsible for, or is consulted on, related policy and strategy. These include for example; Counter Fraud, Corruption, Anti-Bribery, Whistleblowing, Anti-Money Laundering and includes the related promotion and training for officers and councillors.
- 5.7 Through the contract in place with TIAA Ltd, there are other services that can be provided, these include: fraud investigations, grant certification and digital forensics.

6 Independence and Objectivity

- 6.1 Internal Audit must be sufficiently independent of the activities that are audited to enable an impartial, unbiased and effective professional judgement. All internal auditors working within Eastern Internal Audit Services, annually confirm their adherence the Code of Ethics, which sets out the minimum standards for performance and conduct. The four core principles are integrity, objectivity, confidentiality and competency.
- 6.2 The Internal Audit Team at South Norfolk Council, consisting of the Head of Internal Audit and the Internal Audit Trainee do not have any responsibility or authority over any activities outside of Internal Audit.
- 6.3 As contractors, the TIAA Internal auditors have no operational responsibility or authority over any of the activities which they are required to review. They do not engage in any other activity, which would impair their judgement, objectivity or independence.
- 6.4 If the independence or objectivity of the Head of Internal Audit is impaired, or appears to be, the details of the impairment will be disclosed to senior management. The nature of the disclosure will depend upon the impairment.

7 Professional Standards

- 7.1 The Internal Audit Service and all Internal Audit staff operate in accordance with all mandatory guidance within the PSIAS including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and Definition of Internal Auditing. Internal Auditors also have regard for the principles contained within the Standards of Public Life.

8 Internal Audit Resources

- 8.1 The Head of Internal Audit will be professionally qualified (CMIIA, CCAB or equivalent) and have wide ranging internal audit management experience to enable them to deliver the responsibilities of the role.

- 8.2 The Head of Internal Audit is supported by the Internal Audit Trainee in ensuring the Internal Audit Service has access through the contract to a team of staff who have the appropriate range of knowledge, skills and experience to deliver the audit service.

9 Audit Planning

- 9.1 The Internal Audit Manager develops a strategy, alongside a strategic and annual internal audit plan, using a risk-based approach.
- 9.2 The Internal Audit Strategy provides a clear direction for internal audit services and creates a link between the Charter, the strategic plan and the annual plan.
- 9.3 The annual internal audit plan of work, developed as per the Internal Audit Strategy, is derived using a risk-based approach, approved with Senior Management and endorsed by the Audit Committee. The Head of Internal Audit is responsible for the delivery of the internal audit plan, which will be kept under regular review and reported to the Audit Committee.

10 Audit Reporting

- 10.1 On conclusion of each assurance review included within the annual internal audit plan, a report will be provided to management giving an opinion on the adequacy of controls in place to manage risk. This report will provide an assurance level and associated recommendations to ensure that risks are appropriately addressed.
- 10.2 Management can choose not to accept / implement the recommendations raised, in all instances this will be reported through to Senior Management and the Audit Committee, especially in instances whereby there are no compensating controls justifying the course of action.
- 10.3 A Progress Report is periodically presented to the Audit Committee which includes the Executive Summary of all final reports, any significant changes to the approved plan and the performance of the contractor relative to completing the agreed plan.
- 10.4 A Follow Up Report is also periodically produced for the Audit Committee showing management progress against the implementation of agreed recommendations arising from internal audit assurance reports. The Internal Audit Team will verify and obtain evidence to demonstrate recommendation completion from responsible officers.
- 10.5 An Internal Audit Annual Report and Opinion is produced for Senior Management and the Audit Committee following the completion of the annual audit plan each financial year.
- 10.6 This report includes a summary of all Internal Audit work carried out, details of recommendations that have been implemented by management and the Annual Opinion.
- 10.7 The Annual Opinion is based on the overall adequacy and effectiveness of the Local Authority's framework of governance, risk management and control during the financial year, together with reasons if the opinion is unfavourable. This opinion is reached by considering the results from assurance reviews undertaken throughout the year.
- 10.8 The report also highlights any issues that are deemed particularly relevant to the Annual Governance Statement (AGS) and the results of the review of the effectiveness of internal audit.

11 Quality Assurance and Improvement Programme

11.1 The standards require a quality assurance and improvement programme to be developed that covers all aspects of internal audit; including both internal and external assessments.

11.2 If an improvement plan is required as a result of the internal or external assessment, the Head of Internal Audit will coordinate appropriate action and report this to Senior Management and the Audit Committee, as part of the annual report and opinion.

11.3 Internal Assessment

11.3.1 Internal assessment includes the ongoing monitoring of the performance of the contractor through the performance measures. These form a key part of service management of the contract and are subject to quarterly reporting to the Head of Internal Audit for review.

11.3.2 On conclusion of audit reviews a feedback form is provided to the key officer identified during the audit process. Outcomes are reviewed and relevant improvements discussed with the contractor.

11.3.3 The standards also require periodic self-assessment in relation to the effectiveness of internal audit, the detail and outcomes of which are then forwarded to the Section 151 Officer or Section 17 Officer for their independent scrutiny, before the summary of which is provided to the Audit Committee as part of the annual report and opinion. This information enables the Committee to be assured that the internal audit service is operating in accordance with best practice.

11.4 External Assessment

11.4.1 External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Organisation. This can be in the form of a full external quality assessment that involves interviews with relevant stakeholders, supported by examination of the internal audit approach and methodology leading to the completion of an independent report, or a validated self-assessment, which the Internal Audit Manager compiles against the PSIAS assessment tool, which is then validated by an external assessor/team. The full external quality assessment is the chosen option for Eastern Internal Audit Services.

11.4.2 An external assessment will:

- Provide an assessment on the internal audit function's conformance to the standards;
- Assess the performance of the internal audit activity in light of its charter, the expectations of the various boards and executive management;
- Identify opportunities and offer ideas and counsel for improving the performance of the internal audit activity, raising the value that internal audit provides to the organisation; and
- Benchmark the activities of the internal audit function against best practice.

11.4.3 In January 2017 Eastern Internal Audit Services was fully assessed by the Institute of Internal Auditors. The conclusion of the review was:

The internal audit team fully meet most of the Standards, as well as the Definition, Core Principles and the Code of Ethics which form the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework (IPPF), the globally recognised standard for quality in Internal Auditing. This is described as "Generally Conforms".

It means that the internal audit team may state in its audit reports that the work “has been performed in accordance with the IPPF”

11.4.4 The next External Quality Assessment is scheduled for October 2022.

APPENDIX 2 – INTERNAL AUDIT STRATEGY



EASTERN INTERNAL AUDIT SERVICES

INTERNAL AUDIT STRATEGY FOR 2022/23

1. Introduction

- 1.1 The Internal Audit Strategy is a high-level statement of;
- how the internal audit service will be delivered;
 - how internal audit services will be developed in accordance with the internal audit charter;
 - how internal audit services links to the organisational objectives and priorities; and
 - how the internal audit resource requirements have been assessed.

The provision of such a strategy is set out in the Public Sector Internal Audit Standards (the standards).

- 1.2 The purpose of the strategy is to define the objectives, function, the approach, resources and processes needed to achieve Internal audit service, providing a clear link between the Charter and the annual plan.
- 1.3 Throughout this strategy the term 'The Authority' or 'Authority' references any member of the Eastern Internal Audit Services Consortium. The term 'Audit Committee' is used throughout to refer to each Authorities Audit Committee or equivalent.

2. How the internal audit service will be delivered

- 2.1 The Role of the Head of Internal Audit and contract management is provided by South Norfolk Council to; Breckland, Broadland, North Norfolk, South Holland and South Norfolk District Councils, Great Yarmouth Borough Council, the Broads Authority and from April 2022, Norwich City Council. All Authorities are bound by a Partnership Agreement.
- 2.2 The delivery of the internal audit plans for each Authority is provided by an external audit contractor, who reports directly to the Head of Internal Audit at South Norfolk Council. Following a successful procurement exercise the new contract with TIAA Ltd will commence from 1 April 2022 ending 31 March 2028 with the option to extend for a further term of two plus two.

3. How internal audit services will be developed in accordance with the internal audit charter

3.1 Internal Audit objective and outcomes

- 3.1.1 Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Authority's operations. It helps the Authority accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

- 3.1.2 The outcomes of the internal audit service are detailed in the Internal Audit Charter and can be summarised as; delivering a risk-based audit plan in a professional, independent manner, to provide the Authority with an opinion on the level of assurance it can place upon the internal control environment, systems of risk management and corporate governance arrangements, and to make recommendations to improve these provisions, where further development would be beneficial.
- 3.1.3 The reporting of the outcomes from internal audit is through direct reports to senior management in respect of the areas reviewed under their remit, in the form of an audit report. The Audit and Risk Committee and the Section 17 Officer also receive:
- The Audit Plans Report, which is risk based and forms the next financial year's plan of work; and
 - The Annual Report and Opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control.
- 3.2 Internal Audit Planning
- 3.2.1 A risk-based internal audit plan (RBIA) is established in consultation with senior management that identifies where assurance and consultancy is required.
- 3.2.2 The audit plan establishes a link between the proposed audit areas and the priorities and risks of the Authority considering:
- Stakeholder expectations, and feedback from senior and operational managers;
 - Objectives set in the strategic plan and business plans;
 - Risk maturity in the organisation to provide an indication of the reliability of risk registers;
 - Management's identification and response to risk, including risk mitigation strategies and levels of residual risk;
 - Legal and regulatory requirements;
 - The audit universe – all of the audits that could be performed; and
 - Previous Internal Audit plans and the results of audit engagements.
- 3.2.3 In order to ensure that the internal audit service adds value to the Authority, assurance should be provided that major business risks are being managed appropriately, along with providing assurance over the system of internal control, risk management and governance processes.
- 3.2.4 Risk based internal audit planning starts with the Authority's Business Plan, linking through to the priority areas and the related high-level objectives. The focus is then on the risks, and opportunities, that may hinder, or help, the achievement of the objectives. The approach also focuses on the upcoming projects and developments for the Authority.
- 3.2.5 The approach ensures; better and earlier identification of risks and increased ability to control them; greater coherence with the Authority's priorities; an opportunity to engage with stakeholders; the Committee and Senior Management better understand how the internal audit service helps to accomplish its objectives; and this ensures that best practice is followed.
- 3.2.6 The key distinction with establishing plans derived from a risk based internal audit approach is that the focus should be to understand and analyse management's assessment of risk and to base audit plans and efforts around that process.
- 3.2.7 Consultation with the Section 151 Officer and Senior Management takes place through discussion during which current and future developments, changes, risks and areas of concern are considered and the plan amended accordingly to take these into account.

3.2.8 The outcome of this populates the annual internal audit plan, which is discussed with and approved by senior management prior to these being endorsed by the Audit Committee. In addition, External Audit is also provided with details of the plans.

3.3 Internal Audit Annual Opinion

3.3.1 The annual opinion provides Senior Management and the Audit Committee with an assessment of the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control.

3.3.2 The opinion is based upon:

- The summary of the internal audit work carried out;
- The follow up of management action taken to ensure implementation of agreed action as at financial year end;
- Any reliance placed upon third party assurances;
- Any issues that are deemed particularly relevant to the Annual Governance Statement (AGS);
- The Annual Review of the Effectiveness of Internal Audit, which includes;
 - A statement on conformance with the Public Sector Internal Audit standards and the results of any quality assurance and improvement programme,
 - the outcomes of the performance indicators and
 - the degree of compliance with CIPFA's Statement on the Role of the Head of Internal Audit.

3.3.3 In order to achieve the above, Internal Audit operates within the standards and uses a risk based approach to audit planning and to each audit assignment undertaken. The control environment for each audit area reviewed is assessed for its adequacy and effectiveness of the controls and an assurance rating applied.

4. **How internal audit services links to the organisational objectives and priorities**

4.1 In addition to the approach taken as outlined in section 3.2 (Internal Audit Planning), which ensures that the service links to each Authorities objectives and priorities and thereby through the risk based approach adds value, internal audit also ensure an awareness is maintained of local and national issues and risks.

4.2 The annual audit planning process ensures that new or emerging risks are identified and considered at a local level. This strategy ensures that the planning process is all encompassing and reviews the records held by the Authority in respect of risks and issue logs and registers, reports that are taken through the Authority Committee meetings, and through extensive discussions with senior management.

4.3 Awareness of national issues is maintained through the contract in place with the external internal audit provider through regular "horizon scanning" updates, and annually a particular focus provided on issues to be considered during the planning process. Membership and subscription to professional bodies such as the Institute of Internal Auditors and the CIPFA on-line query service, liaison with External Audit, and networking, all help to ensure developments are noted and incorporated where appropriate.

4.4 Each Authorities risk profile will be evaluated throughout each year, and if required, amendments to the Internal Audit Plan will suggested for approval to ensure that Internal Audit coverage continues to focus on providing assurance over the Authorities key risks.

4.5 Coverage and testing plans for each audit are determined using the following principles:

- The number of days allocated to each review is considered based on the complexity of the area being audited factoring in audit scoping, testing time and quality assurance processes.
- Key management assurance controls will be prioritised during testing to confirm that risks identified by the service area and internal audit during scoping are being monitored and managed.
- Ordinarily, samples for each control tested will be selected to cover a 12-month period to ensure that internal audit coverage supports the annual internal audit opinion.
- Testing sample sizes will ordinarily be based on the frequency of the control. By way of example; for each key financial control carried out weekly, a sample of four, one in each quarter across the year will be selected.
- Testing samples will be selected randomly and objectively to provide a balanced view on the strength of the controls in place.

5. How internal audit resource requirements have been assessed

- 5.1 The in-house Internal Audit team at South Norfolk Council consists of the Head of Internal Audit who is a Chartered professional and an Internal Audit Trainee, currently training to become part qualified with the Chartered Institute of Internal Auditors.
- 5.2 These resources are used to contract manage the outsourced provider effectively, ensuring that the key performance measures of the service are met on behalf of consortium members. The team also provides Internal Audit management support to one other Council outside of the Consortium.
- 5.3 The Internal Audit Trainee has recently been appointed to enhance continuity arrangements and contribute towards building succession opportunities within the Consortium.
- 5.4 Through utilising a contractor, the risk based internal audit plan can be developed without having to take into account the existing resources, as you would with an in-house team, thus ensuring that audit coverage for the year is appropriate to the Authority's needs and not tied to a particular resource.
- 5.5 A core team of staff is provided by the contractor to deliver the audit plan, and these staff bring with them considerable public sector knowledge and experience. These core staff can be supplemented with additional staff should the audit plan require it, and in addition specialists, e.g. information technology auditors, contract auditor, fraud specialists, can be drafted in to assist in completing the internal audit plan and focusing on particular areas of specialism.
- 5.6 All audit professionals are encouraged to continually develop their skills and knowledge through various training routes; formal courses of study, in-house training, seminars and webinars. As part of the contract with TIAA Ltd the contractor needs to ensure that each member of staff completes a day's training per quarter.
- 5.7 The above-mentioned arrangements ensure that the Internal Audit Service is able to respond effectively to the assurance needs of each Authority whilst ensuring that the core team used are sufficiently qualified and experienced.

APPENDIX 3 – STRATEGIC INTERNAL AUDIT PLAN

Audit Area	Last review & assurance	Associated Risk CRR	2022/23	2023/24	2024/25	2025/26	Internal Audit Coverage 2022/23 Justification
Annual Opinion / Governance audits							
Corporate Governance	2019/20 - Scheme of delegation: Control environment - good, Compliance - substantial.			10		10	A periodical review of this area will be scheduled to provide assurance over the reporting of decisions and exempt information in accordance with the Constitution and in accordance with the Openness of Local Government Bodies Regulations 2014.
Annual Governance Statement	New Area		10				A fact finding review to provide assurance the Council's Code for Corporate Governance reflects requirements and the AGS is prepared and monitored appropriately.
Risk Management	2021/22 - Reasonable			10		10	Risk Management Framework will be reviewed periodically to feed into annual opinion and Annual Governance Statement.
Information Security & GDPR	2019/20 Control environment - satisfactory; Compliance - limited 2017/18 - Information Governance Policies Adequacy of system - good; Compliance - good	Medium risk in CRR		12			Medium risk of 12 raised in CRR in relation to non compliance with GDPR leading to ICO involvement. Review suggested to follow up from audit in 2019/20. Compliance with Council policies to be regularly reviewed due to regulatory risk including CCTV management.
FOI and Complaints	New Area		10				At request of senior management. Assurance provided.

Audit Area	Last review & assurance	Associated Risk CRR	2022/23	2023/24	2024/25	2025/26	Internal Audit Coverage 2022/23 Justification
Annual Opinion / Governance audits							
Business Strategy and Performance Management.	<p>2016/17 - Transformation programme, governance and strategy Control Environment - good, Compliance - substantial</p> <p>2019/20 - KPIs Control Environment - good, Compliance - satisfactory</p> <p>2020/21 - Annual Key Policies & Procedures - Limited</p>				12		No significant risks raised in this area. Assurance over strategy development and performance management to be carried out in 2024/25. This review will provide follow up assurance over the Limited 2020/21 Policies audit.
Programme and Project Management - Future Shape Norwich	2018/19 - Control Environment - good, Compliance - satisfactory			12			No significant risks raised in this area. However the Council plans to enhance its project management framework through the Future Shape Norwich programme. Internal Audit will be providing consultative support to these developments as and when required with a full service review scheduled for 2023/24 when the framework updates are embedded.
Key Controls and Assurance	New Area	Medium risk raised in CRR	15	15	15	15	Risk of 15 for Council funding/economy and impact on MTFP. A review of key controls will be carried out annually.
Corporate Health and Safety	2021/22 - Audit Due	Medium risk raised in CRR			10		Audit result from 2021/22 pending. Risk of 12 for spread of Covid-19 across the workforce.

Audit Area	Last review & assurance	Associated Risk CRR	2022/23	2023/24	2024/25	2025/26	Internal Audit Coverage 2022/23 Justification
Annual Opinion / Governance audits							
Counter Fraud and Corruption Arrangements	New Area		10				New guidance recently issued on Fighting Fraud and Corruption Locally. Increase of risk in this area has been highlighted nationally.
NCSL Governance	New Area			10			Once the company is up and running a review of governance arrangement will be undertaken providing assurance that contractual arrangements are being adhered to and adequate management assurance is provided to support this. The audit will compliment the first Open Book audit.
Procurement and Contract Management	2016/17 - Procurement Governance Control environment - substantial; Compliance - substantial 2016/17 - Contract procedure rules Control environment - substantial; Compliance - substantial.	Medium risk raised in CRR	15		15		Medium risk of 12 raised in relation to contract management strategy not being fit for purpose. The impact is cross cutting. This area will be regularly reviewed as a key control due to its impact on governance and VFM risks.

Audit Area	Last review & assurance	Associated Risk CRR	2022/23	2023/24	2024/25	2025/26	Internal Audit Coverage 2022/23 Justification
Fundamental Financial Systems							
Accountancy Services includes control accounts, banking, bank reconciliation, asset register, budgetary control and treasury management	2020/21 - Banking reconciliation and cash controls - Substantial 2021/22 - Treasury - Reasonable	Medium risk raised in CRR		16		16	Risk of 15 for Council funding/economy and impact on MTFP related to budget setting/management. This area will be reviewed periodically.
Accounts Payable	2020/21 - Substantial 2020/21 - Purchase cards - Reasonable			12		12	This area will be reviewed periodically. Full service area reviews feed into the assurance provided for the Annual Opinion and Annual Governance Statement.
Accounts Receivable	2018/19 - Debt Recovery Control environment - good; Compliance - good. 2020/21 - Accounts Receivable - Reasonable		10		10		This area will be reviewed periodically. Full service area reviews feed into the assurance provided for the Annual Opinion and Annual Governance Statement.
Income	Previously included within other areas		10		10		This area will be reviewed periodically. Full service area reviews feed into the assurance provided for the Annual Opinion and Annual Governance Statement.

Audit Area	Last review & assurance	Associated Risk CRR	2022/23	2023/24	2024/25	2025/26	Internal Audit Coverage 2022/23 Justification
Fundamental Financial Systems							
Payroll and Human Resources (includes officer expenses)	2017/18 - Travel & Subsistence Adequacy of system - satisfactory; Compliance - satisfactory 2020/21 - Payroll - Audit Due			15		15	A periodical review of this area will be scheduled to provide assurance over HR processes, such as workforce planning, recruitment, performance reviews and objective setting.
Council Tax and National Non-Domestic Rates	2020/21 - Council Tax - Reasonable 2020/21 - National Non-Domestic Rates - Reasonable		15		15		This area will be reviewed periodically. Full service area reviews feed into the assurance provided for the Annual Opinion and Annual Governance Statement.
Housing Benefits and Council Tax Reduction Scheme	2020/21 - Reasonable			15		15	This area will be reviewed periodically. Full service area reviews feed into the assurance provided for the Annual Opinion and Annual Governance Statement.
Housing Rents and Arrears	2020-21 - Reasonable 2021-22 - Audit Due		15		15		This area will be reviewed periodically. Full service area reviews feed into the assurance provided for the Annual Opinion and Annual Governance Statement. Due to system being changed, review will be carried out in 2022/23
Capital Programme Contracts	St James sheltered housing redevelopment Control environment - limited; Compliance - limited. 2021/22 - Capital Programme & Accounting - Audit Due						Capital programme and accounting reviewed in 2021/22. Await outcome to conclude whether further assurance is provided. Going forward coverage will be incorporated into service area reviews.

Audit Area	Last review & assurance	Associated Risk CRR	2022/23	2023/24	2024/25	2025/26	Internal Audit Coverage 2022/23 Justification
Service area audits							
Procurement and Legal and Governance							
Elections	New area	Medium risk raised in CRR	10				Medium risk raised of 6 regarding management of a compliant May election. This area has not been audited recently at the Council.
Democratic Services	New area			10			No risks raised in the strategic register, however area not subject to audit review at the Council before. The audit would consider management of reporting meetings, agendas, deadlines as well as considering support and training provided to member.
Legal Services Arrangements	New area				10		This area has not been reviewed at the Council recently. No significant risks have been raised, a review will however be scheduled for 2024/25 to provide assurance over the agreement between the Council and NPLAW.
Human Resources and Organisation Development							
Staff Wellbeing	New Area		10				No significant risks raised. Area not reviewed before. This area will be reviewed as a position statement to provide assurance over the wellbeing of staff following pandemic as a number of ambitious projects are planned.
Performance and Training Needs	New Area			10			A review of performance reviews and objective setting including training has not taken place at the Council before.
Housing Development							
Norwich Regeneration Ltd	New Area	Medium risk on CRR	10				Risk scored 8 on CRR in relation to skills to manage NRLcommercial activities. Audit review to assess the governance arrangements of the company have been scheduled.
Social Housing Delivery	Elements covered during Capital Programme Audit 2021/22			10			Social housing feasibility processes are being developed at the company. An audit of this area will assess progress in defining commissioning and governance arrangements in 2023/24.

Audit Area	Last review & assurance	Associated Risk CRR	2022/23	2023/24	2024/25	2025/26	Internal Audit Coverage 2022/23 Justification
Service area audits							
Planning and Regulatory Services							
Business Continuity and Emergency Planning	2017/18 - Business continuity policy and management Adequacy of system - satisfactory; Compliance - Satisfactory	Medium risk on CRR		10			Risk score of 12 on CRR in relation to failure to respond effectively to a critical event.
Planning inc Policy, CIL, Heritage Enforcement, Landscape and Buildings at Risk	2013/14 - Planning Income - Moderate Review of CIL income, Apr 2015, substantial.	High risk in CRR	10		15		Area not reviewed since 2013/14. An operational risk around buildings at risk has been identified and an audit therefore scheduled. A planning enforcement/policy and CIL audit is scheduled for 2024/25. High risk of 16 raised regarding funding for Anglia Square. Audit scheduled pending discussion during planning in 2022/23.
Building Control	New area				10		Service delivered by CNC. No concerns raised but not reviewed before. Added to 2024/25.
Development Management	New area					10	No significant risks raised in this area however not reviewed recently. Scheduled for 2025/26.
Private Sector Housing - HMOs	New area			10			Peer review has highlighted need for improvement plan. Audit scheduled for 2023/24 to confirm progress and provide assurance over regulatory risks.
Food Health and Safety	New area		10				No significant risks raised. Backlogs being worked through in agreement with FSA. Audit to provide assurance over regulatory risks.
Environmental Health - Contaminated Land and Air Quality	New area		10				Area not reviewed before at the Council. A new contaminated land strategy is being developed. Internal Audit will evaluate management of regulatory risks in this area.
Licensing and Street Trading	2020/21 Reasonable			10			Peer review has highlighted need for improvement plan. Audit scheduled for 2023/24 to confirm progress and provide assurance over regulatory risks.

Audit Area	Last review & assurance	Associated Risk CRR	2022/23	2023/24	2024/25	2025/26	Internal Audit Coverage 2022/23 Justification
Service area audits							
Property and Economic Development							
Property & Asset Management	2018/19 - Commercial rents Control environment - satisfactory; compliance - satisfactory 2019/20 - Commercial property and Investment Strategy Control environment - good; Compliance - good.	Medium risk raised in CRR		12			Medium risk of 8 raised on the CRR in relation to knowledge and skills to manage commercial properties. Review scheduled in 2023/24 to provide assurance over management of non HRA assets and the Councils new Asset Management Strategy.
Economic Development inc Towns Fund	New Area	Medium risk on CRR	12				Medium risk of 12 raised on the CRR in relation to impact of Covid19 on local business. Review of Towns Fund deferred from 2021/22.
Non Housing Capital Programme Management	2021/22 Capital Programme Audit - Audit Due						Awaiting results of Capital Programme Audit to determine assurance needs.
Housing Needs RTB Strategy	2016/17 Substantial				10		No significant risk raised. Covid recovery plan theme.
Private Sector Housing and Commissioning to NRL	New Area				10		Review of social housing commissioning to NRL included within Housing Delivery for 2023/24.

Audit Area	Last review & assurance	Associated Risk CRR	2022/23	2023/24	2024/25	2025/26	Internal Audit Coverage 2022/23 Justification
Service area audits							
Housing & Housing Delivery							
Housing Compliance - NCSL	2013/14 - Safety of Council Properties - Substantial	High risk in CRR	30	20	10	10	High risk of 20 raised in CRR raised in relation to Project Place and regulator involvement with H&S compliance failings. Data sets testing scheduled 2022/23 and full service reviews in later years.
Housing Asset Management - NCSL	New Area	High risk in CRR	15				High risk in CRR raised in relation to Project Place and exiting service not being a success for residents and VFM. Housing Asset Management and component replacement programme scheduled for 2022/23.
Housing Repairs and Void Management - NCSL	Contract mgmt NNBL - 2019-20 (Feb 2020), control environment - limited, compliance - limited.	High risk in CRR		20			High risk in CRR raised in relation to Project Place and exiting service not being a success for residents and VFM. Audit scheduled for 2023/24.
Housing Services inc Community Safety and Anti Social Behaviour	New Area	High risk in CRR	12				High risk of 16 raised in relation to handling of ASB cases. An audit of Housing Services is scheduled in 2022/23 to compliment above mentioned audits and will evaluate the management of ASB and repairs and maintenance complaints specifically. This audit will also evaluate the Councils ability to respond to the governments white paper on the Social Housing Residents Charter.
Safeguarding	Audit of annual key policies and procedures review - safeguarding policy, 2018-19 (Mar 2019), control env - substantial.	Medium risk in CRR			10		Medium risk of 15 raised in relation to failing to comply with safeguarding policy/regulations. A review was undertaken in 2018/19. A follow up to this will be scheduled in 2023/24.

Audit Area	Last review & assurance	Associated Risk CRR	2022/23	2023/24	2024/25	2025/26	Internal Audit Coverage 2022/23 Justification
Service area audits							
Housing & Housing Delivery							
Leasehold Management	2016/17 - Leasehold properties Control environment - moderate; compliance - moderate		10				This area has not been reviewed recently. An audit of leasehold management will be scheduled for 2022/23 at the request of senior management.
Housing Needs, Allocations, Homelessness & Housing Register	2013/14 - Homelessness, use of temporary accommodation - Substantial			10			No significant risks raised, however area not reviewed recently. Audit scheduled for 2023/24 to allow for a new strategy and structure to be implemented.
Housing Adaptations	New Area				10		No significant risks raised. For consideration in the 2024/25 plan.
Disabled Facilities Grants & discretionary loans	2015/16 - Financial Assistance for Home Improvements - Moderate			10			No significant risks raised but IA responsible for signing grant determination. Assurance required in 2022/23.

Audit Area	Last review & assurance	Associated Risk CRR	2022/23	2023/24	2024/25	2025/26	Internal Audit Coverage 2022/23 Justification
Service area audits							
Environmental Services							
Waste Management - Contract and NCSL	Contract Management – Waste, Refuse & Recycling service 2020-21 (Jan 21) - limited. NCSL 2021/22 Audit Due	Medium risk raised in CRR	8		10		Medium risk of 12 raised regarding approach to waste becoming unsustainable. NCSL Contract is being audited in 2021/22. Further in-depth review of the garden waste service has been scheduled for 2022/23.
Parks and Open Spaces	New Area		10				A review scheduled to evaluate tree management and management of play equipment due to inherent Health and Safety risks associated.
Allotments	2015/16 - Full						Area determined as low risk. Full assurance given in 2015/16.
Markets	2014/15 - Provisions Market - Moderate		10				This area was last reviewed in 2014/15. Audit scheduled for 2022/23 to evaluate the strategy for managing this key asset.
Cemeteries	2015/16 - Moderate			10			A new strategy for this area is being developed. An audit is scheduled for 2023/24 to evaluate its design and implementation.
Parking and Civil Enforcement	2015/16 substantial				12		No significant risks raised in this area. An audit scheduled for 2024/25 will look to provide assurance over the management of fees and charges, income, parking enforcement, and management of Council owned multistorey car parks.

Audit Area	Last review & assurance	Associated Risk CRR	2022/23	2023/24	2024/25	2025/26	Internal Audit Coverage 2022/23 Justification
Service area audits							
Strategy Engagement and Culture							
Sustainable Warmth Grant - 200 private sector solar panels	New Area						No significant risks raised in this area. Head of Internal Audit to provide assurance for grant sign off at request.
Event Management and Tourism	New Area				10		No significant risks raised due to reduced activity during the Pandemic. Due to the potential for health and safety and reputational risks, review proposed for 2024/25
Environmental Sustainability	New Area			10			No significant risks raised. A position statement will be provided giving independent assurance over progress against the Council's Environment Strategy Action Plan.
Leisure	2013/14 - Norman Centre - Substantial 2013/14 - The Halls - Substantial 2015/16 - Go4Less - Substantial		12				Leisure has not been raised as a significant risk, however this area has not been reviewed recently.
Equalities	2020/21 - Limited			10			A number of recommendations from the 2020/21 audit are being followed up. An audit will be carried out in 2023/24 to provide assurance recommendations are embedded.

Audit Area	Last review & assurance	Associated Risk CRR	2022/23	2023/24	2024/25	2025/26	Internal Audit Coverage 2022/23 Justification
Service area audits							
Customer, IT and Digital							
Customer Contact Team	New area			10			An audit of this area has not been undertaken at the Council recently. An audit scheduled in 2023/24 to provide assurance over call handling processes and performance.
Disaster Recovery	New area	Medium risk in CRR	10				Medium risk of 12 raised in CRR in relation to impact of Cyber Security event. A review of disaster recover included in the 2022/23 plan.
Software Licensing inc Cloud applications	New area				10		No significant risks raised. Council plans to where possible use Cloud based applications. A review is scheduled to evaluate management of the licencing strategy.
Starters, Movers, Leavers	New area			10	10		An audit scheduled in 2023/24 to provide assurance over access management of the Councils core applications.
Change Control & Patch Management	New area					10	No significant risks raised. Review to evaluate the management of changes to IT systems at the Council scheduled for 2025/26.
IT Strategy and Governance	New area			10			A review of this area has not been done before at the Council. Audit for 2023/24 scheduled.
Cyber Security	2020/21 - Cyber Security - Reasonable	Medium risk in CRR	10			10	Medium risk of 12 raised in CRR in relation to impact of Cyber Security event. A cyber security maturity assessment will be included in the 2022/23 plan.
Application Audits	2014/15 - Bacstel - IP - Moderate 2014/15 - Parking Gateway - Moderate 2014/15 - Civica system - process and documentation management - Moderate		10	10	10	10	Housing system phase 2 will be audited in 2022/23. A new CRM system is planned for implementation in modules from December 2022. Review scheduled for early 2023/24 to evaluate progress and feed into later modules.

APPENDIX 4 - ANNUAL INTERNAL AUDIT PLAN 2022/23

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Annual Opinion / Governance audits						
Annual Governance Statement	10		10			A deep dive review will be undertaken to provide assurance that compliance with the Council's governance code can be evidenced and that Annual Governance Statement is compiled following the Cipfa and Solace Delivering Good Governance in Local Government. This review has been carried out consortium wide in 2021/22 and will allow us to draw on similarities good practice interpretations where relevant.
FOI and Complaints		10				A review of this area has not been carried out at the Council recently. At the request of senior management, a review of Freedom of Information Requests and Complaints will be undertaken to provide assurance on the Council's response to requests for information and the handling of complaints about services provided. Response times and management information will be evaluated to ensure that the Council's procedures and expectations of its customers are being met.
Anti Fraud and Corruption	10	10				The latest Fighting Fraud and Corruption Strategy has highlighted an increasing threat of fraud related risks for local authorities. Our review will examine the Council's approach to Fraud in line with the checklist provided as part of this new strategy and suggest practical recommendations for improvement where required. Our view will cover the Council's RIPA policy as part of this work.
Procurement and Contract Management	15				15	A review of compliance with the Council's Contract Procedure Rules will be undertaken to provide assurance procurements are being carried out in conformance with the Public Contract Regulations 2015. In addition a sample of contracts will be taken to provide assurance across a range of Council contracts to confirm contract terms are being well monitored and managed.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Annual Opinion / Governance audits						
Elections	10			10		A review of Elections has not been carried out recently at the Council. A medium risk has been raised on the Corporate Risk Register in relation to the management of a compliant election in May 2022. Our review will provide assurance that controls in place to manage electoral registration and electoral administration are operating effectively. This audit will also evaluate the implementation of the Elections system.
Key Controls and Assurance	15				15	This is an annual review of key controls and feeds into the Statement of Accounts. This audit covers; accounts payable, accounts receivable, asset management, treasury management, general ledger, control accounts, budget control, cash income, payroll, and the assurance framework. For those systems not subject to a full audit review within the year, additional coverage will be required.
Fundamental Financial Systems						
Accounts Receivable	10			10		These key financial systems feed into the Head of Internal Audit Opinion and Statement of Accounts and require regular review to confirm the adequacy and effectiveness of controls. Where reviews are undertaken in earlier quarters, top up testing will be completed if required in the key controls audit to provide adequate coverage.
Income	10				10	
Council Tax and NNDR	15			15		
Housing Rents	15				15	

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Strategy, Engagement and Culture						
Leisure	12		12			Leisure provision has not been raised as a significant risk on the CRR, however this area has not been reviewed recently. An audit of this area will look to provide assurance that the leisure strategy is adapting to the impacts of the pandemic and that contracts in this area are being effectively managed.
HR and Organisational Development						
Staff Wellbeing	10	10				This area has not been reviewed at the Council before. A position statement will be carried out to gather a range of information regarding the wellbeing of staff at the Council as they recover from the impacts of the pandemic and aim to progress a number of ambitious projects. This review will collate health check data regarding sickness, annual leave carry forward, overtime, turnover, hours worked. We will gather information about the Councils approach to managing staff mental health and will confidentially survey a number of staff across a range of departments to indicate their wellbeing levels, suggesting pragmatic improvements where appropriate.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Environmental Services						
Garden Waste Service	8			8		A review of the Garden Waste Service will be undertaken to establish the effectiveness of the process for managing billing and charging of garden waste and evaluate the operational effectiveness of the service delivered for residents.
Parks and Open Spaces	10			10		This area has not been audited before at the Council. Due to Health and Safety risks regarding the management of trees and play equipment, a review is scheduled for 2022/23 to provide assurance that inspections and maintenance procedures are effective.
Markets	10				10	An audit of Markets was last undertaken in 2014/15. The fixed market is a key asset for the Council. This audit will evaluate the strategy for the Market whilst establishing the effectiveness of maintenance, inspections, billing, debt management processes.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Property and Economic Development						
Economic Development inc Towns Fund	12			12		An audit of this area has not been undertaken at the Council recently. The Towns Fund audit was deferred from the 2021/22 plan to allow for more activity to take place before involvement. This audit will evaluate the newly developed Economic Development strategy along with the adequacy for arrangements for the management and governance of the Towns Fund grant, covering the effectiveness of partnership working.
Housing Development						
Norwich Regeneration Ltd	10			10		This area has not been subject to an audit recently. A position statement will be provided evaluating the arrangements for demonstrating good governance of the company. Areas such as Board TOR, information to Council and the SLA will be reviewed as part of this work.
Planning and Regulatory Services						
Buildings at Risk	10		10			This area has not been audited at the Council before. The audit will provide assurance that the Buildings at Risk register is well managed and the Council is supporting conservation through inspection and engagement with building owners and Historic England.
Food Health and Safety	10	10				This area has not been audited at the Council recently. The audit will evaluate the Council's arrangements for food safety inspections, handling of complaints and provide assurance that clearing of the backlog following the pandemic is on track.
Contaminated Land and Air Quality	10				10	An area not subject to review at the Council before. This audit will evaluate the adequacy in place for the management of the Council's contaminated land strategy, that a register is being maintained and an inspection programme has been devised based on risk. This review will also establish how the Council is complying with its statutory requirements (National Air Quality Strategy (NAQS) / Local Air Quality Management (LAQM) with regard to reviewing and assessing air quality.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
Housing Delivery						
Planned Housing Maintenance	15		15			A Position Statement will be carried out on the Councils housing asset management strategy. An audit of this area has not been carried out recently. The review will focus on the development of the housing asset management plan considering the compliance with the decent homes standard and approach to Stock Condition Surveys. Improvements will be suggested where applicable to feed into the Councils planned maintenance process as the function moves in-house.
Housing Compliance Data Validation Checks	30			15	15	Internal Audit will interrogate a full set of housing compliance data starting with Gas and Fire safety in 2022/23 to provide independent assurance that performance figures can be relied upon.
Leasehold Management	10	10				An audit of this area has not been undertaken since 2016/17. At the request of senior management an audit will be undertaken of billing and notification of works for Leaseholders at the Council. This audit will review centrally held records to verify all relevant properties are contained, provide assurance that arrangements for billing including S20 notices are being well managed.
Housing Services inc Community Safety and Anti Social Behaviour	12				12	A high risk has been raised on the strategic risk register for ASB. This review will evaluate the processes in place to manage ASB. This review will also provide assurance over the management of resident complaints and consider how the Council is preparing for the white paper on Charter for Social Housing Residents.

Audit Area	No of days	Q1	Q2	Q3	Q4	Notes
ICT Audits						
Cyber Security	10		10			A risk has been raised in the Corporate Risk Register relating to the impact of a critical cyber security incident. An audit of this area was carried out in 2020/21, however the threat from this risk continues to increase. A cyber security maturity assessment will be carried out to establish the Council's current level of control to preventing an attack from being successful.
Disaster Recovery	10			10		A risk has been raised in the Corporate Risk Register relating to the impact of a critical cyber security incident. An audit of Disaster Recovery will provide assurance that in the event of an incident the Council is able to respond quickly in line with expectations.
Housing System Implementation Phase 2	10			10		An application audit focusing on the second phase of the housing system implementation.
Follow Up of audit recommendations						
All audit recommendations	16	4	4	4	4	Bi-monthly follow up of agreed audit recommendations
Internal Audit Management Days including consultancy						
Audit Committee attendance, reporting, quality assurance, contract management, advice and guidance.	40	10	10	10	10	
Total number of days	375	64	71	124	116	