

Audit & Assurance Plan 2023/24

Delivering Independent Assurance to Local Government



An open, fairer, greener North Somerset

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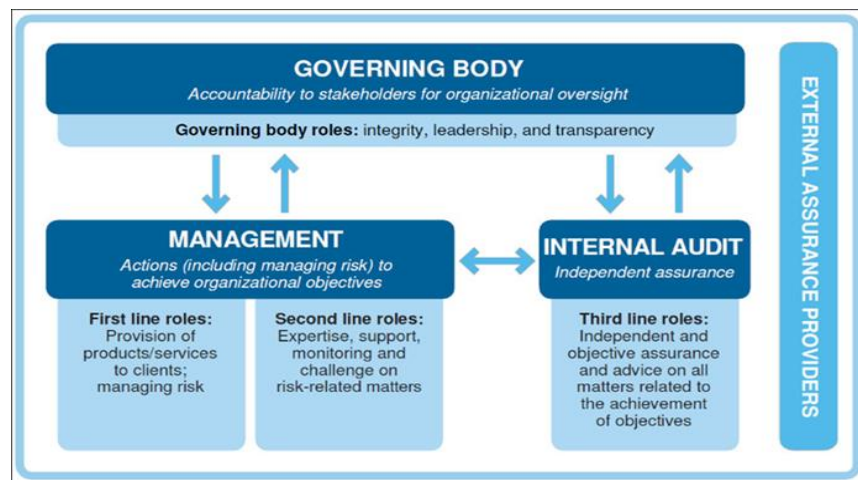
1. Our Role

Introduction

North Somerset Council strives to deliver excellent services to local people and pledges to be an open, fairer and greener Council. The Council has recognised through its Corporate Plan the importance of excellence in resource management and sound governance as fundamental to achieving its priorities.

Audit West fully recognises its need to be flexible and agile in the face of the significant changes affecting the whole of the public sector and meet the needs of its stakeholders. Independent assurance which is strong but supportive can provide a helpful and positive role not just to services but to elected Members and the Community at large by demonstrating that the Council is operating effectively and protecting its assets and resources for the benefit of all its stakeholders.

Three Lines of Defence Model



By being independent of management, Audit West maintain the third line of defence and we continue to do this effectively by working with all our stakeholders - especially the Audit Committee, Statutory Officers and Senior Management – to improve the service we offer but also to provide an independent voice in supporting service change and transformation.

We also aim to offer continued value to all our clients based on the following key priorities –

- **Use of our Reasonable Assurance Model**
- **Maximising Use of Technology**
- **Investment in Skills**
- **Offering complimentary assurance services**
- **Providing Value for Money**

The remainder of this document outlines our approach and also the indicative areas for our audit and assurance plan for 2023/24.



2. Key Priorities for North Somerset

A THRIVING AND SUSTAINABLE PLACE

PRIORITIES

- A great place for people to live, work and visit
- Welcoming safe and clean neighbourhoods
- To be a carbon neutral council and area by 2030
- A transport network that promotes active, accessible and low carbon travel
- A broad range of new homes to meet our growing need, with an emphasis on quality and affordability
- An attractive and vibrant place for business investment and sustainable growth

A COUNCIL WHICH EMPOWERS AND CARES ABOUT PEOPLE

PRIORITIES

- A commitment to protect the most vulnerable people in our communities
- An approach which enables young people and adults to lead independent and fulfilling lives
- A focus on tackling inequalities, improving outcomes
- A collaborative way of working with partners and families to support children achieve their full potential
- Partnerships which enhance skills, learning and employment opportunities

AN OPEN AND ENABLING ORGANISATION

PRIORITIES

- Engage with and empower our communities
- Empower our staff and encourage continuous improvement and innovation
- Manage our resources and invest wisely
- Embrace new and emerging technology
- Make the best use of our data and information
- Provide professional, efficient and effective services
- Collaborate with partners to deliver the best outcomes

3. How the Internal Audit Plan is Compiled – Reasonable Assurance Model

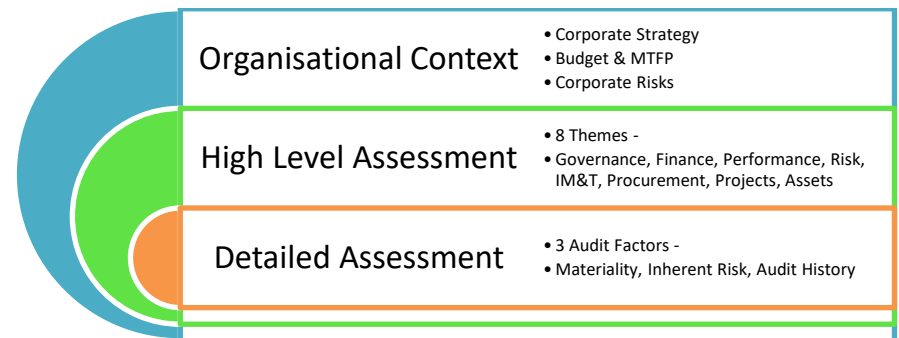
A key component of the audit needs assessment is using the adopted ‘Reasonable Assurance Model’ to assess the level of Assurance in place over eight themes.



Each Theme has a set of questions and the answers to these questions help assess the level of assurance and the level of risk for each theme. The Reasonable Assurance Model informs the Internal Audit Annual Plan and enables an assessment of compliance with the seven principles of good governance as recorded in the Council’s Local Code of Corporate Governance.

In addition to the Reasonable Assurance Model assessment the annual plan is created by:

1. Consideration of risks recorded in the Council’s Corporate and Directorate Risk Registers and objectives within the Corporate Plan and Annual Directorate Statements.
2. Horizon scanning – external publications and networking groups e.g., LACAN (Local Authority Chief Auditors Network)
3. Consultation with Directorate Leadership Teams, key Corporate Officers, Statutory Officers and the Audit Committee – discussions cover any issues, and new / heightened risks based on new or changes in responsibilities.
4. External Review Body findings or planned reviews.
5. Risk scoring long list of potential areas of audit activity based on factors such as: Internal Audit History (previous assurance opinions, time since last review), Inherent Risk (operational, technical, reputational & people), Materiality (income, expenditure, planned savings), and Audit Management knowledge experience.



In accordance with the PSIA Standards, the plan needs to be flexible to respond to the changing risks and priorities of the Council and, to this end, audit planned activity will be regularly reviewed and changes reported to management and the Corporate Audit Committee.

4. Detailed Internal Audit Plan

This listing records the core activity of the Internal Audit Service and the planned audit reviews as of 1st April 2023.

The recorded 'Quarter' scheduling is an indication of timing of each review but is intended as a guide only and is subject to change.

Work in addition to that in the plan is also delivered through audit investigations and general advice to service areas, as is required.

Item	Title	Start (Quarter)	Directorate	Theme
1	Grant Funding Requiring Audit Verification	1/ 2/ 3/ 4	CSD	Finance
2	Recruitment and Retention, including Starters and Leavers	1	CSD	Assets
3	Customer Services - Performance	4	CSD	Performance
4	Corporate Health and Safety	2	CSD	Risk
5	Duplicate Payments – Root Cause Analysis	2	CSD	Finance
6	Council Tax and NNDR – Follow-up Reviews	3	CSD	Finance
7	Vehicle Mileage Expense Claims	1	CSD	Finance
8	ICT – Governance	4	CSD	IM&T
9	ICT – Project Management	3	CSD	Projects/ IM&T
10	ICT - Firewalls	1	CSD	IM&T
11	ICT – Cyber Security Incident Management	2	CSD	IM&T
12	ICT – Cyber Security Logging and Monitoring Arrangements	2	CSD	IM&T
13	Compliance with Council Procurement Processes	3	CSD	Procurement
14	Governance - Annual Governance Statement	1/ 2/ 3/ 4	CSD	Governance
15	Governance - Audit Committee, Boards, Advice and Guidance	1/ 2/ 3/ 4	CSD	Governance
16	Local Code of Corporate Governance – Review & Update	1	CSD	Governance
17	Follow-up of Previous Year Recommendations	1/ 2/ 3/ 4	CSD	Performance
18	Fraud - Data Analytics	1/ 2/ 3/ 4	CSD	Finance
19	Fraud - National Fraud Initiative (NFI)	1/ 2/ 3/ 4	CSD	Finance
20	Fraud - Training, Advice and Guidance	1/ 2/ 3/ 4	CSD	Finance
21	North Somerset Environment Company	TBC	CSD	Governance
22	Public Health Funerals	TBC	Public Health	Finance
23	Seafront Concessions	1	Place	Risk
24	Planning Services	1	Place	Performance
25	Parking Services	3	Place	Finance
26	CIL and Section 106 Funding	2	Place	Finance
27	Highways – Payment Bonds	3	Place	Finance
28	Tree Management – Risk Management	TBC	Place	Risk
29	Climate Emergency Action Plan	4	Place	Governance
30	Tropicana – Income, Stock Control and Utility Costs	2	Place	Finance
31	Adult Social Services – New Funding Streams	2	Adults	Finance
32	Housing - Lettings Service	4	Adults	Risk
33	Nursing and Residential Home Provider Visits	3	Adults	Finance
34	Adults Safeguarding - Processes	2	Adults	Risk
35	Unpaid Carers	3	Adults	Risk
36	Local Authority Designated Officer – Statutory Responsibilities	2	Children's	Risk
37	High-Cost Care and Education Packages	1	Children's	Procurement
38	School Financial Value Standard (SFVS)	4	Children's	Governance
39	Safety Valve Scheme	1	Children's	Governance
40	Children Missing Education	3	Children's	Risk

5. Other Key Components of Internal Audit Planned Work

1) Fraud – Prevention & Detection

Counter-fraud and corruption arrangements are a high priority for the Council and assist in the protection of public funds and transparency & accountability. Under the Council's Financial Regulations, the Internal Audit Service must be informed of any 'financial irregularities' and we are committed to responding timely to any reported or identified cases through carrying out our proactive work. Our proactive anti-fraud and corruption testing is focussed on those areas / systems considered to be most at risk to fraud.

The CIPFA guidance ('Code of practice on managing the risk of fraud and corruption'), the CIPFA Fraud and Corruption Tracker (CFaCT) survey, and the Fighting Fraud and Corruption Locally strategy, all assist in assessing and informing fraud and corruption risks and planning the work of the Internal Audit service. Nationally, the notable areas of fraud include Housing Benefit, Council Tax/ Single Person Discount, Housing and Tenancy, Procurement, Insurance, Abuse of Position, Blue Badges, and Direct Payments (Social Care). These areas and the risks are considered as part of the audit planning process and this is evident in the list of audit reviews recorded in Section 5, as well as in previous audit plans.

In terms of other proactive work the Cabinet Office runs a detailed national data matching exercise (National Fraud Initiative - NFI) every two years. Information must be extracted from several Council databases and uploaded to the NFI database run. The results of the most recent exercise at North Somerset Council will be reported in mid-2023.

The Council has an adopted an Anti-Fraud and Corruption Strategy and associated policies and these were reviewed and updated in 2022/23.

Staff awareness of fraud and scams is very important, and the Internal Audit service provide training and regular bulletins to ensure that staff are reminded of the risks and the need for continued diligence. This work will continue throughout 2023/24.

2) Corporate Governance

The Accounts and Audit Regulations require the Council to carry out an annual review of its governance arrangements, and to produce an annual statement detailing the results of that review.

The AGS must be seen as a Council wide document, and it is reviewed and approved by the Audit Committee. The Leader of the Council and the Chief Executive are required to sign the document which is then published with the Council's statement of accounts.

The Internal Audit service provide support by using an adopted methodology to carry out an Annual Governance review.

3) Independent Certification of Grant Funding

Significant funding is provided to the Council by funding bodies such as the West of England Combined Authority and Government Departments. The Internal Audit service are required to independently verify expenditure and provide an opinion on whether expenditure is in compliance with Grant Terms & Conditions.