

Internal Audit & Counter Fraud Shared Service
Medway Council & Gravesham Borough Council

Internal Audit Plan 2023-24 (Q3 – Q4)

Medway Council

I. Introduction

The Internal Audit & Counter Fraud Shared Service was established on 1 March 2016 to provide internal audit, counter fraud and investigation services to Medway Council and Gravesham Borough Council.

Section 151 of the Local Government Act 1972 and Regulation Six of the Accounts & Audit Regulations 2015 set out the requirement for Local Authorities to have an Internal Audit function. The Public Sector Internal Audit Standards (the Standards) define Internal Audit as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. The Standards require that: the chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals.

The Internal Audit Plan is supported by the Charter which sets out the team's purpose, authority and responsibilities, and the team's Strategy which sets out the key objectives for the development of the team.

II. Preparation of the Internal Audit Plan (Q3-Q4)

The plan is prepared in line with the requirements of the Standards and is based on a risk assessment to ensure resources are directed to the highest areas of risk. The assessment undertaken in January 2023, which was used to inform the plan for Q1-Q2 included;

- Review of the council's priorities as set out in the Council Plan,
- Review of the council's key risks as set out in the Corporate Risk Register,
- Review of the council's financial plans and budgets,
- Review of service plans and service risk registers,
- Horizon scanning to identify local and national issues and risks,
- The results of previous internal audit work (including follow up work) and other sources of assurance to the council,
- Identification and risk assessment of those activities key to the delivery of the council's priorities and the management of its identified risks, and,
- Consultation with senior management to validate this assessment of the council's risks.

The risk assessment has been updated to take into account any known changes to risks within specific council services as well as sector knowledge of wider control risk areas. These updates are aimed to help ensure that our resources are directed to the areas where they are considered to be of most effective use to the council in helping to ensure the achievement of its objectives, the improvement of internal control and the efficiency of service delivery.

III. Resourcing

The Internal Audit Plan will be delivered using the in-house resources within the Shared Service, a total of 8.24FTE comprising of 0.65FTE Head of Internal Audit & Counter Fraud, 1FTE Internal Audit Manager, 1FTE Senior Internal Auditor, 4.59FTE Internal Auditors (0.41FTE vacant), and 1FTE Internal Audit Apprentice. All available chargeable days for the Internal Auditors (including the apprentice)/Senior Internal Auditor are allocated on the plan; while resources spent on strategic leadership and management provided by the Head of Internal Audit & Counter Fraud and the Internal Audit Manager are not.

When preparing the plan for Q1-Q2, the total chargeable Internal Audit resource forecast to be available for 2023-24 for Medway was 712 days, along with a further 79 days for management of internal audit

activity. However, one Internal Auditor has reduced working hours to 0.81FTE and updated forecasts suggest a loss of approximately 39 days of internal audit resource.

The plan for Q3-Q4 takes into account the projected changes to available resource and other impacts during Q1-Q2, while still ensuring a sufficient level of planned assurance work takes place to provide assurance over enough of the council's activities for the Head of Internal Audit & Counter Fraud to deliver an opinion on the effectiveness of the overall control environment of the council.

IV. 2023-24 Internal Audit Plan (Q3-Q4)

The Plan is intended to provide a clear picture of how the council will use the Internal Audit team within the shared service; including assurance work focusing on the council's corporate risks, with links to the corporate risk register noted in the plan, and consultancy services as defined in the Internal Audit Charter.

The plan reflects all work to be carried out by the Internal Audit Team for Medway during the second six months of the financial year and focuses on the highest areas of risk first to ensure these areas are addressed, while also ensuring adequate coverage across council service areas.

In planning the number of reviews that can be undertaken with the available resource, each review has been assigned an indicative budget of 15 days, but the final resource budget for each individual review will be agreed when setting the Terms of Reference to ensure there is adequate time available to complete necessary work. The total number of indicative days allocated to each area of work for the period of the plan are included in the summary on page 6.

Corporate Risks Assurance Work

Ref	Division	Activity	Scope of work	Links to Corporate Risk Register
17	Regeneration	Facilities Management	Review of Facilities Management arrangements, including Capital Projects and management of the Medway Norse contract.	SR03B
18	Education & SEND	High Needs Block Recovery Plan	Review of arrangements to manage, monitor and report on delivery of the High Needs Block Recovery Plan, including budget monitoring.	SR03B, SR39
19	Childrens Social Care	Unregulated Placements	Review of arrangements to manage unregulated placements	SR03B, SR09B
20	Childrens Social Care	Fostering - Assessments, Reviews, Allowances & Expenses	Review of arrangements to assess & review foster care placements, including verification of claims for expenses/allowances associated with foster care.	SR03B, SR09B
21	Education & SEND	SEND Transport	Review of arrangements to provide home to school transport for children with Special Educational Needs and Disabilities.	SR09B, SR56
22	Public Health	Therapeutic Outreach And Support Service	Review of arrangements to manage delivery of support to individuals who do not meet the criteria for specialist services.	SR09A
23	Finance & Business Improvement	Council Tax Administration	Review of arrangements to manage the administration of council tax accounts, including administering 'My Council Tax Online' accounts.	SR03B
24	Adults Social Care	Assessments & Reviews of Financial Support	Review of arrangements to conduct initial assessments and regular reviews of financial support for care.	SR03B, SR09A, SR09B
25	Finance & Business Improvement	IR35 Assessments	Review of arrangements to ensure compliance with the IR35 Regulations.	SR03B

26	Regeneration	Innovation Park Medway	Review of arrangements to manage, monitor and report on delivery of the Innovation Park Medway Project.	SR03B, SR17
27	Culture & Community	Homes for Independent Living Scheme	Review of arrangements to manage the council's Homes for Independent Living Scheme	SR03B, SR09A
28	Education & SEND	Remote Sites Financial Management - Including Schools	Allowance to carry out school's audit work including site reviews and/or thematic review to be based on an assessment of risk (four schools).	SR03B, SR09B

Other Assurance Activity

Ref	Division	Activity	Scope of work
	Legal & Governance	Action Plan Validation	Allowance to conduct independent verification checks on work completed as part of the Information Governance Action plan.
	Adults Social Care	Data Validation	Allowance to conduct data verification checks prior to publication on council website.
	Adults Social Care	Self-Assessment Validation	Allowance to provide independent verification of evidence and conclusions reached as part of a self-assessment against expected standards for CQC inspection.
	Council Wide	Grant Validations	Allowance to conduct independent checks of grant expenditure as per award conditions.
	Childrens	Supporting Families Assessment Validation	Allowance for validation of assessments for MHCLG Troubled Families claims.
	Council Wide	Responsive Assurance Work	Allowance to conduct responsive assurance work unknown at the time of planning.

Follow Up Work

Ref	Division	Activity	Scope of work
	Council Wide	Follow-up of Agreed Actions	Allowance to monitor and report on the implementation of agreed actions.

Consultancy Work

Ref	Division	Activity	Scope of work
	Finance & Business Improvement	School Retained Funding & Grants - Accounting	Providing assistance to the Schools Finance Team as part of their review the School finance manual
	Council Wide	Attendance at Corporate Working Groups	Allowance for attendance at Corporate Working Groups

Summary

Ref	Activity	Resource Days	Timescale
	Corporate Risks Assurance Work	245	Q3-Q4
	Other Assurance Activity	63	Q3-Q4
	Follow-up Work	10	Q3-Q4
	Consultancy Work	12	Q3-Q4

V. Monitoring & review

Arrangements to monitor progress against the Plan are built into the working processes of the team and will be reported to senior management and the Audit Committee through the agreed Performance Indicator suite within the Quality Assurance & Improvement Programme.

The service will remain responsive to the needs of the council and will keep the planned work and priorities under review so that new emerging risks arising during the year can be included in the plan in the place of lower priority work. To do this, the Plan will be reviewed and presented to senior management and the Audit Committee through the quarterly update reports to ensure any amendments to the plan are properly approved.