

# INTERNAL AUDIT WORK PROGRAMME 2022/23

Date: 27 April 2022

Annex 1



## CONTENTS



Introduction

3



Approach

3



2022/23 Internal  
Audit work

4



Appendix A: Draft  
work programme

6



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## INTRODUCTION

- 1 This document sets out the proposed 2022/23 programme of work for internal audit, provided by Veritau for Selby District Council.
- 2 The work of internal audit is governed by the Public Sector Internal Audit Standards and the Council's Audit Charter. In accordance with those standards, internal audit work must be risk based and take into account the requirement to produce an evidence based annual internal audit opinion. Planned work should be reviewed and adjusted in response to changes in the business, risks, operations, programmes, systems and internal controls.
- 3 The Head of Internal Audit's annual opinion is based on an objective assessment of the effectiveness of the framework of risk management, governance and internal control. Our planned audit work includes coverage of all three areas to develop a wider understanding of the assurance framework of the Council.
- 4 Responsibility for effective risk management, governance and internal control arrangements remains with the Council. The Head of Internal Audit cannot be expected to prevent or detect all weaknesses or failures in internal control nor can audit work cover all areas of risk across the organisation.

## APPROACH

- 5 To meet professional aims and objectives, good practice for internal audit requires us to adopt flexible planning processes. This flexibility will be particularly important in 2022/23 which is the last year the Council will deliver services to the public. From 1 April 2023 a new North Yorkshire Council will be created when Selby District Council, along with seven other Councils combine into a single county wide unitary authority. The flexibility will also help to ensure audit work undertaken during the year is adapted on an ongoing basis to reflect changing risks within the Council.
- 6 The work programme for 2022/23 represents a summary of the overall areas we currently think will be the highest priority for work during the next year, based on our current assessment of risk.
- 7 The identification of risks has been informed in a number of ways; including review of the organisational risk management processes, the impacts of Local Government Reorganisation (LGR), understanding the Council's strategies and objectives, other known risk areas (for example areas of concern highlighted by management), the results of recent audit work and other changes in Council services and systems. The risks and impact of Local Government re-organisation means the emphasis of work in 2022/23 will be significantly different to previous years.
- 8 Internal audit work covers a range of risk areas to ensure that overall, the work undertaken will enable us to meet our professional standards to provide an overall opinion on the framework of risk management, governance and internal control in the Council.

- 9 We have defined 11 areas where we require assurance during the course of the year to help provide that opinion, as follows:
- Strategic planning
  - Organisational governance
  - Financial governance
  - Risk management
  - Information governance
  - Performance management and data quality
  - Procurement and contract management
  - People management
  - Asset management
  - Programme and project management
  - ICT governance
- 10 The requirement for providing assurance across these areas is also taken into account when identifying and prioritising work.
- 11 The proposed areas of coverage have been subject to consultation with senior officers.
- 12 Throughout the year, work to be undertaken will be determined based on the most immediate priorities. The overall work programme will be regularly reviewed and updated to reflect work undertaken and changes to priorities.
- 13 We will regularly discuss with officers and management the priority, scope and timings of work to help ensure that we provide assurance in the right areas at the right time. Members and senior Council officers have an important role in shaping the work programme by helping to direct internal audit to areas of greatest risk and priority during the Council's last 12 months of operation.
- 14 We will also provide regular updates on the scope and findings of work to the Audit and Governance Committee throughout 2022/23.

## 2022/23 INTERNAL AUDIT WORK

- 15 The plan is based on a total commitment of 375 days. Further detail on the potential areas of coverage is included in appendix A below.
- 16 It is important to emphasise two important aspects of the programme. Firstly, the audit areas included in this draft programme and indicative days assigned to each of the areas in appendix A are not fixed. Work will be kept under review to ensure that audit resources continue to be deployed in the areas of greatest risk and importance to the Council. This is to ensure the audit process continues to add value.
- 17 Secondly, it will not be possible to deliver all of the audits listed in the programme. The programme has been over planned, to build in flexibility from the outset while providing an indication of the priorities for work at the time of assessment. This will enable us to respond quickly by

commencing work in other areas of importance to the Council when risks and priorities change during the year.

- 18 The final year of Local Government Reorganisation preparation will have a significant impact on the Council's risk areas, and therefore the focus of our work. Many areas of Council systems and processes will be directly and indirectly impacted.
- 19 Maintaining effective 'business as usual' will, in some areas, become very difficult. Work will focus on providing assurance of the continuation of the Council's internal control framework over a wide range of areas, to help support the interim s151 officer and senior management discharge their statutory obligations. Internal audit work will include shorter, more focussed assignments and the use of data analytics to help provide more regular assurance.
- 20 Continued involvement in the LGR work-streams and wider project governance will also be a key area of officer and auditor involvement. The recently issued North Yorkshire (Structural Changes) Order places a number of requirements on the Council, including 'to consult and co-operate with each other in order to secure the economic, effective, efficient and timely transfer of those functions, property, rights and liabilities'. Data quality of information, some of which will be transferring to the new organisation and will form a fundamental part of new Council's working arrangements, will also be very important.

## Appendix A

Draft Internal Audit Work Programme 2022/23**Areas linked to Local Government Reorganisation**

Area	Days	Potential activity
<b>Strategic and Corporate Risks</b>	80	Corporate Governance arrangements, including to the LGR project  Involvement in specific LGR related work-streams  Procurement and contract management  Council closedown and post 31 March 2023 assurance arrangements  Data Quality
<b>Financial systems</b>  Work is likely to cover areas such as internal control assurance gathering (testing the continued operation of key controls), reviewing identified areas of weakness, and specific data quality, system transfer and development matters linked to Local Government Re-organisation.	110	General Ledger  Creditors  Debtors  Payroll  Council Tax and Business Rates  Benefits  Housing rents  Income collection
<b>Service areas and systems</b>  Work is likely to cover similar types of areas as the financial systems.	40	Planning (including s106 and CIL)  Licensing  Homelessness / housing options  Environmental health  Council housing landlord responsibilities
<b>TOTAL</b>	230	

**Other Assurance areas**

<b>Area</b>	<b>Days</b>	<b>Potential activity</b>
<b>Key ongoing business risks</b>	40	Cyber security Business continuity and disaster recovery Health and safety Information security

<b>Area</b>	<b>Days</b>	<b>Potential activity</b>
Ongoing assurance	15	Continuous Audit planning and assurance gathering to help support our overall opinion on the framework of risk management, governance and internal control of the Council.
Follow up of management actions	15	Follow-up of previously agreed management actions
<b>TOTAL</b>	30	

**Committee related and other liaison and support**

<b>Area</b>	<b>Days</b>	<b>Potential activity</b>
Committee and Client related liaison and support	75	Committee preparation and attendance Client liaison, support and advice External audit liaison Contingency Risk management facilitation
<b>OVERALL TOTAL DAYS</b>	<b>375</b>	