



## Selby District Council

### Internal Audit Plan 2020/21

**Audit Manager:** Ed Martin  
**Deputy Head of Internal Audit:** Richard Smith  
**Head of Internal Audit:** Max Thomas

**Circulation List:** Members of the Audit and Governance Committee  
Chief Executive  
Chief Finance Officer (S151 Officer)

**Date:** 29 July 2020



## **Introduction**

- 1 This plan sets out the planned 2020/21 programme of work for internal audit and risk management provided by Veritau for Selby District Council. The plan includes an allocation of time for work already undertaken in 2020/21, in response to the impact of Covid-19. The focus of audit work for 2020/21 will be significantly affected by Covid-19 risks and issues.
- 2 In accordance with the Public Sector Internal Audit Standards (PSIAS), internal audit is required to prepare indicative audit plans setting out their proposed programme of work. The plan is a working document, and changes are made as required to reflect changes in risk and issues that may arise. This is the case every year, but is more likely to be a factor in 2020/21 due to the need to remain responsive to issues that arise as a result of the impact of Covid-19 on all areas of the council.
- 3 The plan is informed by the Council's main strategic risks, discussions with senior officers and Veritau's own assessment of risk. This approach is intended to ensure limited audit resources are prioritised towards those systems which are considered to be the most risky and/or which contribute the most to the achievement of the Council's priorities and objectives. The impact of Covid-19 has been considered in the planning process and will be continually assessed through the year.
- 4 The content of the audit plan has been subject to consultation with senior officers and is submitted for formal approval by the Audit and Governance Committee. The 2020/21 audit plan was originally scheduled to be presented to Audit and Governance committee for approval in April 2020. Following cancellation of that meeting Veritau has been undertaking work in response to Covid-19 issues and finalising 2019/20 work; a line is included in the plan for this work.
- 5 The plan sets out potential areas for audit in 2020/21. It will not be possible to carry out all of these audits and the list is not exhaustive and may change as the year progresses depending on emerging risks. Changes to the plan are agreed through the council's client management arrangements and are notified to the committee. Proposed audit work is also discussed with the council's external auditors, to ensure that there is no duplication of effort. Further details about the approach to audit planning can be found in the council's audit charter.
- 6 The plan is based on a total commitment of 375 days for 2020/21, for internal audit, and support for the Council's risk management arrangements. Due to the impact of Covid-19 the plan includes an allocation for work already done in 2020/21, of 63 days. The remaining commitment is 287 days for internal audit and 25 days for risk management (312 days in total).

## **2020/21 Plan**

- 7 The impact of Covid-19 will be a significant influence on this year's audit plan. However, the principle remains the same, in that the approach adopted is to focus on higher risk systems.
- 8 The council continues to face significant budgetary pressures, and these are likely to be increased by the impact of Covid-19. Covid-19 also presents many other

challenges, including implementing central government legislative and regulatory changes, administering government grants, new community services, different ways of working and redeployments. In addition to this, some core financial and corporate systems remain vital to the effective operation of the council.

- 9 The plan has been structured into a number of sections and an allocation of days assigned to each section to ensure a breadth of coverage of the council. These are:
- **Corporate risk register:** this work involves reviewing the action taken, or to be taken, in managing the key risks to the council.
  - **Financial systems:** to provide assurance on the key areas of financial risk. These areas will have been significantly impacted by Covid-19 issues. This work helps to provide assurance to the council that risks of loss are minimised.
  - **Operational, technical and project audits:** to provide assurance on areas identified through Veritau's risk assessment and discussion with officers. These involve key service risks or risks that could detrimentally affect the delivery of services.
  - **Covid-19 response and 2019/20 audit completion:** Covid-19 response work and completion of assurance work delayed in 2019/20. This is the work already undertaken so far in 2020/21.
  - **Client support & advice:** work we carry out to support the Council in its functions. This includes the time spent providing support, advice and training in relation to risk management in the Council.
  - **Other:** an allocation of time to allow for unexpected work and the follow up of work we have already carried out, ensuring that agreed actions have been implemented.
- 8 Audit work will include a mixture of: assurance reviews of areas that remain higher risk for the council; reviews of the council's response to Covid-19; reviews and advice on control and process design in light of Covid-19; forward looking advice and support on the implementation of recovery plans.
- 9 Details of the 2020/21 plan are set out below. The table includes a specific reference to Covid-19 related risks in some areas. However, in most areas the audits listed would also cover any additional risks due to Covid-19.

## Internal Audit Plan 2020/21

### Corporate Risk Register

Risk No	Risk	Audit	Scope
003	The Council's financial position is not sustainable.	Budgeting and savings plans delivery	Covid-19 will put budgets under significant pressure. The audit could review specific delivery of specific savings plan or corporate budget management processes.
008	Poor net economic growth	Economic Development Framework	A review of the delivery of the action plan and the prioritisation of projects within it. The audit would include changes made resulting from Covid-19.
002	Failure to comply with health and safety legislation	Health and safety (Covid-19)	Covid-19 has implications for health and safety for customers, staff and the wider public and across many different environments. The specific scope and objectives will be agreed with officers.
014	Not having the right technology and systems	Digital services	The importance of the right tools and strategies to deliver services and enable staff to work digitally is increased by Covid-19. The specific scope and objectives will be agreed with officers.
<b>Total days for this section - 35</b>			

### Financial Systems

Audit	Scope
Council Tax & NNDR	A review of key controls and risks relating to Council Tax and NNDR. Scope will include Covid-19 risks and issues. This could include assurance work on Covid-19 grants, or those could be reviewed as part of a separate audit.
Benefits	To review the key risks/controls involved in awarding and paying benefits. This will include Covid-19

<b>Audit</b>	<b>Scope</b>
	issues and administration of additional government funds.
Creditors	To review the key risks/controls surrounding the payment of creditors invoices. This would include reviewing changes in processes resulting from Covid-19 issues.
General Ledger (including budgetary control)	Review of the council's main accounting system and reconciliations, including virements and journal transfers. This could include the budget setting, monitoring processes or these could be audited separately.
Debtors	A review of the systems for raising debtor invoices and collecting income, credit control, and debt recovery arrangements. This would include reviewing changes in processes resulting from Covid-19 issues.
Payroll	A review of key controls in relation to the payroll function. This would include reviewing changes in processes resulting from Covid-19 issues.
Housing Rents	A review of key controls and risk relating to setting, collecting, accounting for housing rents income. This would include reviewing changes in processes resulting from Covid-19 issues.
<b>Total days for this section - 80</b>	

### **Operational, Technical and Project Audits**

<b>Audit</b>	<b>Scope</b> (the scope and objectives for audits will cover risks relating to Covid-19)
Community Engagement and Delivery Arrangements	A provision of time to provide support, advice and challenge to the Council in regards to alternative models for delivering services to the community.
Council House Repairs	A review of the systems involved in carrying out repairs on council housing and turnaround of void properties.
Environmental Health	A review of environmental health processes, including enforcement arrangements.

Absence Management	A review of the processes and procedures in place to manage staff absence.
Data Quality	An audit of systems for capturing key performance data, to ensure information used for management of the organisation is robust.
Organisational Development	A review of the effectiveness of the Council's Organisational Development strategy.
Homes England	Follow up of issues identified in recent Homes England report.
Contract Management & Procurement	The scope will be agreed with officers during the year. This may include a general review of procurement arrangements and/or a review of individual contracts.
Project Management	An audit of project management arrangements within the Council.
Information Security	An allocation of time to review information security. This is likely to require a different approach to take account of new ways of working.
ICT audits	Specific areas for review will be agreed with officers. Areas such as cyber security, ICT asset management and technical infrastructure are likely to be exposed to increased risk resulting from Covid-19 issues.
<b>Total days for this section - 120</b>	

### **Covid-19 response and 2019/20 audit completion**

<b>Area</b>	<b>Days</b>
An allocation of time for Covid-19 related risk assessments, guidance, direct support on administration of grant schemes. Completion of assurance work delayed in 2019/20 by Covid-19 impact.	<b>63</b>

### **Client Support & Advice**

<b>Area</b>	<b>Days</b>
Committee Preparation & Attendance including Annual Governance Statement	10

External Audit Liaison	2
Miscellaneous Advice (including financial appraisals)	3
Data analysis	5
Corporate Issues (including audit planning, client liaison and attendance at Leadership Team)	15
Risk Management Facilitation	25
	<b>60</b>

**Other**

<b>Area</b>	<b>Days</b>
Contingency	5
Follow Ups	12
	<b>17</b>

<b>Total</b>	<b>375</b>
--------------	------------