

**SUBJECT: INTERNAL AUDIT
OPERATIONAL PLAN 2023/24**

DIRECTORATE: Resources
MEETING: Governance & Audit Committee
DATE: 27th July 2023
DIVISION/WARDS AFFECTED: All

1. PURPOSE

To receive and approve the Internal Audit Operational Plan for 2023/24.

2. RECOMMENDATION(S)

That the Governance and Audit Committee reviews and approves the Internal Audit Operational Plan for the 2023/24 financial year.

3. KEY ISSUES

3.1 This report aims to inform Members of the Governance and Audit Committee of the work to be undertaken by the Internal Audit Section at an operational level for 2023/24.

3.2 This report supplements the report 'Draft Internal Audit Plan 2023/24' which was presented to and considered by the Governance & Audit Committee in June 2023.

3.3 Consideration is given to over 300 possible areas to audit across all services provided by Monmouthshire which are risk assessed and allocated a high, medium or low risk. The audit team staff resources would then be allocated to cover the higher ranked risks as appropriate. That said, inevitably there will be reviews which the audit team have to undertake annually such as the annual governance statement, mandatory grant claim audits and audit advice, which have also been incorporated into the plan, along with follow up reviews, finalisation work and planned work from the previous year not undertaken.

3.4 An allocation of time is included in the plan for special investigations where the team might receive allegations of fraud, theft, non-compliance etc. The plan also needs to be flexible enough to respond to changes to risk profiles and other developments in year; the audit management team will continually monitor this situation.

3.5 For 2023/24, the total available days amounted to 1,430, based on 5.5 FTE auditors in the team for the full year.

- 3.6 As reported to the June 2023 meeting of the Governance & Audit Committee, the Audit Manager is currently fulfilling the Chief Internal Auditor role which leaves a vacancy for 0.5 FTE. It is planned that this will remain vacant for the financial year while the service considers its future delivery options and possible wider regional collaboration. The Team structure for the year will be an Audit Manager supported by one Principal Auditor, two Senior Auditors and one Auditor (5 FTE).
- 3.7 During Quarter 1 of the 2023/24 year, a successful recruitment process took place, and the vacant Senior Auditor position was filled. The new post holder is due to commence in their role during August 2023. The final operational audit plan has been calculated on this basis, with a vacancy provision included for April to August (circa 5 months). This provides a small increase in the available audit days (26) from the Draft plan presented in June 2023.
- 3.8 Due to the vacancies mentioned above the plan has been based on 1,190 total available days. An allowance for leave, sickness, training, management time and admin is deducted from this to give the total number of operational audit days in the year.
- 3.9 Total operational audit resources therefore amounts to **754 days**, which will be allocated across service directorates on a risk basis (summary shown at Appendix 1). This includes 70 days for special investigations and unplanned work.
- 3.10 The total operational audit days of 754 also includes 40 days (an estimated 4 audit jobs) where an external resource will be procured to support the team. This will be funded from the budget surplus arising from the Chief Internal Auditor / Senior Auditor vacancy periods. If this additional resource could not be procured or the cost of the external resource exceeds the available budget this may be a future risk area in completing the audit plan.
- 3.11 Additionally, if it is deemed necessary and ahead of any decision over future delivery models, additional resources will be considered as needed to supplement the team resources and to ensure that sufficient progress is maintained in delivering the plan for the year.
- 3.12 Historically, the time allocated to special investigations is usually a pressure point. For the 2022/23 plan, the allocation of days was reduced to ensure appropriate planned audit coverage was given across all directorates. The number of days allocated within the 2023/24 plan will remain at the reduced amount of 70 days. If time intensive investigation(s) or unplanned work is required, this may impact on the resource available to complete planned audit work and therefore meet the team's performance target.
- 3.13 Chief Officers and Heads of Service were given the opportunity to contribute to and shape this plan. The initial draft plan was discussed and refined through discussions with the Senior Leadership Team, Chief Officers and their Department Management Teams. The comments made by the Governance & Audit Committee in their June 2023 meeting were also considered.

- 3.14 This plan may change as the year progresses if the risk profile of audit work changes. It is intended that this audit plan remains fluid and will be dependent on any new priorities or emerging risks to the Council. The plan will be reviewed quarterly by the Audit Manager and discussed with the Deputy Chief Executive / Chief Officer for Resources as and when necessary. Any significant change to the agreed plan will be brought back to the Governance and Audit Committee for approval.
- 3.15 The Governance and Audit Committee will be kept updated with the progress against the agreed plan via quarterly reports presented by the Audit Manager.
- 3.16 To seek to maximise performance against the plan, Audit Management will ensure audit reports are more focused and timely, that staff with the right skill sets are allocated to appropriate work and non-productive time is minimised.

4. REASONS

- 4.1 The 2023/24 Internal Audit Operational Plan is attached at Appendix 2 to this report. Audit jobs within the plan have been risk assessed and prioritised and matches the audit resources available for the year. This will be reviewed on an annual basis in order to determine the appropriateness of the risk assessment each year where audit resources will be deployed to cover the higher risk reviews.

44 audit opinion and 24 non-opinion jobs have been incorporated within the 2023/24 Plan.

- 4.2 The Operational Plan has been updated to take account of:
- a) The Authority's latest Risk Assessment;
 - b) New areas for inclusion in the Plan identified from changes to legislation and the regulatory framework for local government and from ongoing discussions with service managers;
 - c) Areas of slippage from previous Operational Plans; and
 - d) The published Regulatory Plan produced by Audit Wales.
 - e) Requests from Chief Officers and Heads of Service.
 - f) Comments from the Governance & Audit Committee at the June 2023 meeting.
- 4.3 The main changes between the Draft Internal Audit Plan presented to the June 2023 meeting and this 'final' operational plan are;
- An additional 26 chargeable days following the earlier than anticipated start date of the new Senior Auditor.
 - Removal of 'Registration Services' audit review (15 days) at management request. This is due to the team receiving notification of a forthcoming external audit by the General

Registrars Office and to prevent any duplication of work this might entail (PSIAS Standard - 2050 Coordination and Reliance).

- Addition of 'Internal Audit External Quality Assessment' which is required to be completed during the financial year (5 days).
- Addition of 'Passenger Transport Unit (PTU) Systems (CTX / Pupil Tracker)' audit review (18 days).
- Addition of Control Risk Self-Assessment – Leisure Centres (15 days).
- Additional time allocated to the audit review of Chepstow School (3 days).

- 4.4 The Operational Plan will be kept under review through the course of the year to identify any amendments needed to reflect changing priorities and emerging risks. Material changes to the Plan will be reported to the Governance and Audit Committee at the earliest opportunity.
- 4.5 An Annual Report will be prepared for the Governance and Audit Committee to provide appropriate assurance via the Chief Internal Auditor's annual opinion, along with details on the performance of the Section against the Operational Plan. Interim progress reports will also be provided to the Committee quarterly.
- 4.6 With effect from 1st April 2016 the revised Public Sector Internal Audit Standards (PSIAS) came into force for all public sector bodies including local government organisations. The Audit Manager will ensure that the Audit Team continues to undertake its work in accordance with these Standards. The team will be undergoing an External Quality Assessment as required by the PSIAS during 2023/24, this is now overdue. Time has been included within the Audit plan for this.
- 4.7 The Governance & Audit Committee are responsible as per their Terms of Reference to approve and monitor the Internal Audit plan over the course of the financial year. Quarterly reports shall be presented promptly by the Chief Internal Auditor, informing the Committee of the current progress against the approved plan, the opinions issued and a summary of all unfavourable reports. The Committees role is to hold officers to account and provide oversight of the audit process and the organisations system of internal control.

5. RESOURCE IMPLICATIONS

None.

6. CONSULTEES

Strategic Leadership Team
Directorate Management Teams
Governance & Audit Committee – June 2023 Meeting

7. BACKGROUND PAPERS

Strategic Internal Audit Plan
Public Sector Internal Audit Standards

8. AUTHOR AND CONTACT DETAILS

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**Monmouthshire County Council
Internal Audit Plan 2023/24**

Appendix 1

DIRECTORATE SUMMARY				
	Days	Allocation of Audit Resources	Opinion Job	Non Opinion Job
Resources	116.5	15.5%	7	4
People & Governance	43	5.7%	2	3
Children & Young People	169.5	22.5%	12	3
Social Care, Health & Safeguarding	123.5	16.4%	8	4
Communities & Place	79.5	10.5%	6	3
MonLife	75	9.9%	5	2
Chief Executives	18	2.4%	1	1
Corporate Work	59	7.8%	3	4
Special Investigations	70	9.3%	-	-
Available Productive Audit Days	754	100%	44	24

INTERNAL AUDIT SERVICE - OPERATIONAL PLAN 2023/2024

Resources		Last Review	Opinion Job	Non Opinion Job	Risk	Days
Finance - Corporate Accountancy						
	Insurances	2016/17	Yes		H	15
Finance - Revenues, Systems & Exchequer						
	Council Tax	2017/18	Yes		M	15
	Creditor Payments (2022/23)	2022/23	Yes		M	10
	Procurement Cards	2020/21	Yes		M	13
	Benefits	2021/22	Yes		M	15
	Imprest Accounts Closure	2022/23		Yes	L	6
	Revenues Shared Service (2022/23)	2022/23	Yes		M	7
Commercial, Property & Facilities						
	Cemeteries	Never	Yes		M	15
General						
	Audit Advice	Annual		Yes		14
	Finalisation of previous year's audits (work in progress)	Annual		Yes		2.5
	Monitoring Implementation of Previous Recommendations	Annual		Yes		4
Total Planned Days for Resources			7	4		116.5

**Monmouthshire County Council
Internal Audit Plan 2023/24**

People & Governance		Last Review	Opinion Job	Non Opinion Job	Risk	Days
Democratic Services & Communications						
	Democratic Services & Governance	Never	Yes		H	15
Electoral Registration						
	Electoral Registration	2009/10	Yes		H	15
General						
	Audit Advice	Annual		Yes		8
	Finalisation of previous year's audits (work in progress)	Annual		Yes		3
	Monitoring Implementation of Previous Recommendations	Annual		Yes		2
Total Planned Days for People & Governance			2	3		43

**Monmouthshire County Council
Internal Audit Plan 2023/24**

Children & Young People		Last Review	Opinion Job	Non Opinion Job	Risk	Days
Additional Learning Needs						
	ALN (previously SEN)	2017/18	Yes		H	15
Achievement & Extended Services						
	Flying Start	2013/14	Yes		M	15
Finance & Support Services						
	School Improvement Grant	Annual	Yes		M	8
	Pupil Development Grant	Annual	Yes		M	8
Primary Schools						
	Archbishop Rowan Williams Church in Wales Primary	2015/16	Yes		M	10
	Durand Primary	2015/16	Yes		M	10
	Llantilio Pertholey Primary	2016/17	Yes		M	10
	Our Lady & St Michaels RC (Follow-up)	2022/23	Yes		H	10
	Pembroke Primary	2016/17	Yes		M	10
	The Dell Primary	2016/17	Yes		M	10
Secondary Schools						
	Chepstow School	2017/18	Yes		M	17
General						
	Schools Control Risk Self Assessments	New	Yes		M	15
	Audit Advice	Annual		Yes		18
	Finalisation of previous year's audits (work in progress)	Annual		Yes		9.5
	Monitoring Implementation of Previous Recommendations	Annual		Yes		4
Total Planned Days for Children & Young People			12	3		169.5

**Monmouthshire County Council
Internal Audit Plan 2023/24**

Social Care, Health & Safeguarding		Last Review	Opinion Job	Non Opinion Job	Risk	Days
Commissioning & Disability Service						
	Commissioning & Contracts	Never	Yes		H	18
Safeguarding, Quality Assurance & Child Protection						
	CLA Savings	Never	Yes		H	15
Youth Offending Service						
	Youth Offending Service	2015/16	Yes		M	15
Managed Care/Looked After Children						
	Long Term Support Team	Never	Yes		M	15
Wellbeing						
	Therapeutic Practice	Never	Yes		M	15
Social Services Finance						
	Appointeeships & Deputyships (2022/23)	Ongoing	Yes		M	2
Public Protection						
	Trading Standards & Animal Health	Never	Yes		M	15
-	Registration Services	2016/17	Yes	-	M	15
General						
	Audit Advice	Annual		Yes		14
	Financial Assessments	Annual		Yes		5
	Finalisation of previous year's audits (work in progress)	Annual		Yes		5.5
	Monitoring Implementation of Previous Recommendations	Annual		Yes		4
Total Planned Days for Social Care, Health & Safeguarding			8	4		123.5

**Monmouthshire County Council
Internal Audit Plan 2023/24**

Communities & Place		Last Review	Opinion Job	Non Opinion Job	Risk	Days
Strategic Projects						
	PTU Systems (CTX / Pupil Tracker)	Never	Yes		M	18
Placemaking, Housing, Highways and Floods						
	- Planning Applications (2022/23)	Ongoing	Yes		M	2
	- Private Sector Leasing	Never	Yes		H	15
Enterprise and Community Animation						
	Housing Support Grant	Annual	Yes		M	10
Neighbourhood Services						
	Winter Maintenance (2022/23)	Never	Yes		M	2
	Waste Collections	Never	Yes		M	15
General						
	Audit Advice	Annual		Yes		12
	Finalisation of previous year's audits (work in progress)	Annual		Yes		1.5
	Monitoring Implementation of Previous Recommendations	Annual		Yes		4
Total Planned Days for Communities & Place			6	3		79.5

**Monmouthshire County Council
Internal Audit Plan 2023/24**

MonLife		Last Review	Opinion Job	Non Opinion Job	Risk	Days
Active						
	Point of Sale System	New	Yes		M	15
	Control Risk Self Assessments - Leisure Centres	New	Yes		M	15
Heritage						
	Old Station, Tintern (Follow-up)	2019/20	Yes		H	10
Outdoor						
	Countryside (2022/23)	2022/23	Yes		M	10
Connect						
	Active Travel	Never	Yes		M	15
General						
	Audit Advice	Annual		Yes		8
	Monitoring Implementation of Previous Recommendations	Annual		Yes		2
Total Planned Days for MonLife			5	2		75

Policy, Performance & Scrutiny		Last Review	Opinion Job	Non Opinion Job	Risk	Days
	Risk Management	2017/18	Yes		H	15
General						
	Audit Advice	Annual		Yes		3
Total Planned Days for Policy, Performance & Scrutiny			1	1		18

**Monmouthshire County Council
Internal Audit Plan 2023/24**

Corporate Work		Last Review	Opinion Job	Non Opinion Job	Risk	Days
	Annual Governance Statement	Annual		Yes	M	5
	National Fraud Initiative (NFI)	Annual	Yes		M	15
	Climate Change (previously audited as carbon reduction scheme)	2013/14	Yes		H	16
	Partnership Assurance (2022/23)	2022/23	Yes		M	7
	Internal Audit External Quality Assessment			Yes		5
General						
	Implementation of new Follow-up of Agreed Actions / Recommendations system	New		Yes		8
	Audit Advice	Annual		Yes		3
Total Planned Days for Corporate Work			3	4		59

TOTAL AUDIT DAYS	684
SPECIAL INVESTIGATIONS	70
TOTAL PLANNED AUDIT DAYS	754
PRODUCTIVE AUDIT DAYS	684
NO' OF DAYS PLAN EXCEEDS AVAILABLE RESOURCES	0