

**REPORT OF** DAP Audit Manager  
**To:** Audit & Governance Committee March 2022  
**Subject:** Draft DAP internal audit plan for Torridge District Council 2022-23  
**Date:** 16 March 2022

**PURPOSE OF REPORT:** To provide the draft internal audit plan to the Audit and Governance Committee for review and agreement.

## 1. INTRODUCTION

The chief audit executive is responsible for developing a risk-based plan which considers the organisation's risk management framework, including using risk appetite levels set by management for the different activities or parts of the organisation.

The audit plan represents the proposed internal audit activity for the year and an outline scope of coverage. At the start of each audit the scope is discussed and agreed with management with the view to providing management, the Finance Manager (Section 151 officer), and members with assurance on the control framework to manage the risks identified. The plan will remain flexible, and any changes will be agreed formally with management and reported to Audit Committee.

## 2. DEVELOPMENT OF THE PLAN

This year's audit plan at Appendix A has been developed through discussion with the Head of Finance and consideration of the Council's risk register and plan. It is also informed by previous audit findings, and our awareness of current themes in Devon and elsewhere, such as Climate Change, and post C-19 recovery. Within the plan, we aim to provide good coverage of Council Corporate risks, and current public sector risks. We have maintained the four-year plan to help identify future resource requirements and ensure good coverage of areas over the period, but our focus is to agree the audit days for 2022/23. There has been a slight reduction compared to the 2021-22 plan, to 166 audit days.

## 3. SUMMARY OF THE AUDIT PLAN

The audit plan is divided into the following areas:

- Core audits (79 days) largely on what are termed "key financial systems" that process most of the Council's income and expenditure and which have a significant impact on the reliability and accuracy of the annual accounts. These include Payroll, Creditors, Main Accounting System, Council Tax, Housing Benefit. This work will provide assurance that core controls continue to be effective despite the changing environment.
- Assurance within the different Strategic Goal areas (77 days) of the Corporate Plan.
- Risk specific reviews (7 days) focused on risk management and counter fraud activity.

In accordance with the Public Sector Internal Audit Standards, the plan is flexible, to reflect and respond to the changing risks and priorities of the Authority. As a result, it will be regularly reviewed and updated to ensure it remains valid and appropriate. As a minimum, the plan will be reviewed in six months' time to ensure it continues to reflect the key risks and priorities.

Detailed terms of reference will be drawn up and agreed with management prior to the start of each assignment – in this way we ensure that key risks to the operation or function are considered during our review.



A chart showing allocation of audit days is below:



#### 4. **IMPLICATIONS**

##### Legal Implications

None

##### Financial Implications

None

##### Human Resources Implications

None

##### Sustainability Implications

None

##### Equality/Diversity

None

##### Risk Management

Our audits are focused on risk and will provide assurance on the significant risk areas.

##### Compliance with Policies and Strategies

None

##### Ward Member and Lead Member Views

Not consulted in advance of meeting.

#### 5. **CONCLUSION**

We consider the audit plan provides good coverage over core council areas to support a well-rounded annual assurance opinion, but audit committee input would be welcome.

#### 6. **RECOMMENDATION**

The Committee is asked to review the audit proposal for 2022-23 at Appendix A and consider whether any amendments are required.



**Torridge District Council Draft Internal Audit Plan**

Audit Universe	Date of last audit	Other Assurance Sources	Risk Score	2022/23 nominal days	2023/24 nominal days	2024/25 nominal days	2025/26 nominal days	Comments / Corporate Risk areas
<b>Core Systems</b>								
Council Tax	2019/20		H	10	10	10	10	Not undertaken in Q4 of 21/22 at client request.
Creditors	2021/22		H	7		7		
Debtors	2021/22		H		5			
Housing Benefit and Council Tax Support	2021/22	External audit of subsidy claim	H	15	15	15	15	
ICT / Cyber Security	2021/22		H	15	15	15	15	Corporate Risk: Cyber Security / Measures to prevent the vulnerability of a cyber related incident against our IT systems.
Income (Cash, E-payments, Parkmobile and BACS)	2020/21		H	7		7		
Main Accounting	2021/22	External audit of accts	H	5	5	5	5	Corporate Risk: A Balanced Budget and Medium-Term Financial Strategy
NNDR	2020/21		H	10	10	10	10	
Payroll	2021/22		H	5	10	5	10	
VAT	2020/21	HMRC Inspection	M			5		
Treasury Management	2019/20		M	5		5		
Sub Total				<b>79</b>	<b>70</b>	<b>84</b>	<b>65</b>	
<b>Risk Focused Audits</b>								
Risk Management	2021/22		H	5	5	5	5	
Annual Fraud and Corruption Assessment	2021/22			2	2	2	2	
Sub Total				<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	



### Strategic Goal: Develop a Prosperous & Sustainable Economy

Economic Regeneration	2021/22		H				10	
Harbour/Pilotage / Port Marine Safety	2021/22		M			5		
North Devon +	2010/11		M		5			
Rental Venues	2019/20		L	6				
Sub Total				6	5	5	10	

### Strategic Goal: Protect and Enhance the Quality Environment

Building Control Services	2021/22		L			10		
Burton & Bideford Arrangements	2012/13		M			3		
Car Parks	2021/22		M			10		
Conservation (include legal requirements in DM in future)	2012/13		L	5				
Development Management	2021/22		H			10		Corporate Risk: Reputational and potential financial risk arising from the Levelling Up Submission - Isaac Yard.
Estates Management	2021/22		M	5		5		Follow up to Limited Assurance 21/22 audit
Climate Change	NA			5			10	Corporate Risk: Climate Change / Measures and plans to meet our net zero carbon targets
Environmental Protection	2020/21		M		7			
Grounds Maintenance contract	2010/11		L		5			
Northam Burrows	2019/20		L	5			5	
Planning Enforcement	2019/20			5			5	
Planning policy / LDF	2010/11		H		10			
Section 106	2019/20		M		5			
Tree Preservation Orders	2019/20		H	5		5		
Sub Total				30	27	43	20	



## Strategic Goal: Support Stronger, Safer, Healthier Communities

CCTV / Community Safety	2015/16		L	5				
Cemeteries (administration)	2021/22		L				5	
Corporate Health & Safety	2021/22		M			5		Corporate Risk: Corporate Manslaughter / Having the necessary systems and controls to prevent a fatality and or serious accident from occurring.
Councillor Grants	2020/21		M			4		
Crematorium	2019/20		L					Delivered as part of North Devon audit plan
Democracy / Electoral Registration	2011/12	Electoral Commission Returns	L	7				
DFG Grant Audit	Annual		L	1	2	1	2	
Hardship Grants / Test and Trace	2021/22							Corporate Risk: Admin of Central Government Grants
C19 Business Grants	2021/22							Corporate Risk: Admin of Central Government Grants
Emergency Planning	2021/22		L				5	Corporate Risk: Civil Emergency Response / Ability for the Council to respond to an event prescribed under the Civil Contingencies Act 2004
Business Continuity				5				Corporate Risk: Business Continuity/ Ensuring continuance and resumption of operations during an unforeseen event or emergency
Food safety	2021/22	Food Standards Agency	M			5		
Housing Options	2019/20		M		10			
Housing Renewal	2019/20		M		10			
Licensing (inc Taxi Licences and local licences)	2021/22		M			7		



Leisure / Leisure contract (1610)	2011/12		H					Corporate Risk: Provision of Leisure in a post Covid-19 environment - anticipation of additional support to maintain leisure services at current levels. NB. A programme of audits for the new leisure centre company has been created.
Refuse / Cleansing / Recycling management	2018/19		H		7			
Safeguarding	2020/21		M			5		Corporate Risk: Safeguarding Children and Vulnerable Adults/ Ability to meet council's statutory responsibilities.
Community Safety Partnership	2017/18		M		5			
Sub Total				18	34	27	12	

### Strategic Goal: An Effective and Customer Focused Council

Project Delivery	New		M	7				
Governance (Comms, complaints, business planning, governance)	2017/18		L	5				Corporate Risk: Reputation of the Council- Managing the risk of actions, activities and decisions that could affect the reputation of the Council.
Devolution	New		L			5		
Ethics & Values of the Authority	2020/21		H			5		
Freedom of Information	2011/12		L		5			
Information Governance (including Data Protection)	2019/20		M	7			7	Corporate Risk: Data Security
Insurance	2016/17		L	4				
Land Charges	2020/21		L			7		
Member Allowances	New		H					
Member Development	New		L		4			
Procurement	2020/21		M		5			
Register of officer's interest	2016/17		L					Included within Dem Services audit
Social Media and Communications	New		H		5			



Strategic Planning	2021/22		H					
Telephones / Mobile Phones	New		M			5		
Recruitment, Selection and Retention	2021/22		L				5	Corporate Risk: A skilled and sufficiently resourced workforce
Travel & Subsistence	2016/17		L					Included in Payroll audit
Equality & Diversity	2020/21		L				5	
				23	19	22	17	
<b>Total Audit Time</b>				<b>163</b>	<b>162</b>	<b>188</b>	<b>131</b>	
Audit Management (Reports for Audit Committee, liaison, other miscellaneous activities)	Annual		H	3	3	3	3	
		Total Days		<b>166</b>	<b>165</b>	<b>191</b>	<b>134</b>	

