

# North Devon Council

## Internal Audit Plan 2020/21

Ref	Audit Title	Corporate Risk Register	2020 / 2021	Potential Scope – Each audit will be scoped and agreed in advance. The audit may cover the following areas:
1	Risk Management and Corporate Governance	<p>Medium</p> <p>Internal Audit standards require regular review of arrangements</p>	10	<ul style="list-style-type: none"> <li>• Strategy</li> <li>• Risk identification and assessment;</li> <li>• Control / mitigation strategies;</li> <li>• Roles and responsibilities;</li> <li>• Decision making;</li> <li>• Monitoring and reporting;</li> <li>• Department Risk Management; and</li> <li>• Compliance with best practice.</li> </ul>
2	Main Accounting System & Budgetary Control	<p>Medium</p> <p>Risk F CRR 00</p> <p><b>A lack of clear direction in relation to significant budgetary challenges</b></p> <p>F CRR 03</p> <p><b>Inadequate financial control in any service area.</b></p>	12	<ul style="list-style-type: none"> <li>• Medium &amp; Long Term Financial Strategies</li> <li>• Policies, procedures, standing orders and financial regulations, including staff awareness;</li> <li>• Budget setting and monitoring;</li> <li>• Variance reporting;</li> <li>• Virements and journal transfers;</li> <li>• Budget Management Training;</li> <li>• Compilation of monthly financial reports and quarterly performance &amp; financial reporting to the Executive/Council.</li> </ul>
3	Creditors (including ordering processes)	<p>Medium</p> <p>Based on volume and value of transactions</p>	10	<ul style="list-style-type: none"> <li>• Policies and procedures;</li> <li>• Authorisation procedures (orders and payments);</li> <li>• Goods / services receipting;</li> <li>• Manual payments;</li> <li>• Supplier accounts</li> </ul> <p>IDEA can be used to analyse the whole creditors file to identify transactions that require further examination.</p>
5	Payroll	<p>Medium</p> <p>Based on our audit work</p>	14	<ul style="list-style-type: none"> <li>• Security of, and access to, IT Systems;</li> <li>• Authorisation procedures;</li> <li>• Reconciliations;</li> <li>• Starters, Leavers and Variations;</li> <li>• Temporary payments (overtime, travel &amp; subsistence etc).</li> <li>• Statutory and voluntary deductions;</li> <li>• Overpayments; and</li> <li>• Management information</li> </ul>
6	Cash Collection	<p>Medium</p> <p>Based on our audit work</p>	4	<ul style="list-style-type: none"> <li>• Collection and recording of payments;</li> <li>• Banking;</li> <li>• Reconciliations;</li> <li>• Suspense accounts; and</li> <li>• Security</li> </ul>

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8	Council Tax & NNDR	Medium Based volume and value of transactions	10	<ul style="list-style-type: none"> <li>• Policies and procedures;</li> <li>• methods of payment;</li> <li>• Billing and receipts;</li> <li>• Clearance from suspense accounts;</li> <li>• Recovery action;</li> <li>• Writing off irrecoverable income;</li> <li>• Monitoring collection rates;</li> <li>• Reconciliation with general ledger;</li> <li>• Refunds and void allowance;</li> <li>• IT security and access</li> </ul> <p>IDEA can be used to analyse transactions for fraud etc..</p>
9	Housing Benefits	Medium Based on volume and complexity in the process	15	<ul style="list-style-type: none"> <li>• Policies and procedures, including adherence to legislation, financial regulations and local policy;</li> <li>• Segregation of duties, to include conflicts of interest;</li> <li>• Compliance with the current scheme of operation;</li> <li>• Timeliness and accuracy of assessments, amendments, back dated claims, payments and cancellations;</li> <li>• Management of overpayments and recovery</li> <li>• Reliability of records (paper and electronic) and protection against loss and unauthorised access;</li> <li>• Accuracy and timeliness of performance monitoring;</li> <li>• Reconciliations;</li> <li>• Complaints;</li> </ul>
16	Regeneration Projects	Medium	8	<ul style="list-style-type: none"> <li>• Strategy and approval of projects;</li> <li>• Review of the arrangements between North Devon and the Council for joint funding;</li> <li>• Expenditure arrangements and pooled budgets</li> </ul>
17	Parking Operations	Low Based on volume and complexity	8	<ul style="list-style-type: none"> <li>• Policies and procedures;</li> <li>• Contract arrangements;</li> <li>• Contract monitoring procedures;</li> <li>• Receipt of income;</li> <li>• Issue of visitor / season passes;</li> <li>• Payments, including contractor payments as applicable;</li> <li>• Budget monitoring;</li> <li>• Management information</li> </ul>
22	Customer Service Centre	Medium Based on our audit work	8	<ul style="list-style-type: none"> <li>• Policies and procedures;</li> <li>• Service provision;</li> <li>• Staff training;</li> <li>• Management arrangements for moved services;</li> <li>• Workflow between front and back office processes;</li> <li>• Collection and recording of payments;</li> </ul>

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				<ul style="list-style-type: none"> <li>• Communication and focal;</li> <li>• IT systems security and access;</li> <li>• Performance monitoring, reporting and customer satisfaction</li> </ul>
25	Health & Safety	<p>Medium</p> <p><b>Risk G CRR 08</b></p> <p><b>Health &amp; Safety</b></p>	7	<ul style="list-style-type: none"> <li>• Policies and procedures notes;</li> <li>• Fire, security and evacuation procedures</li> <li>• Council wide risk assessments;</li> <li>• Departmental risks assessments (including workstation assessments)</li> <li>• Governance including reporting arrangements</li> <li>• Risk of fire in the process hall</li> </ul>
28	Information Technology Audit	<p>High</p> <p>G CRR 01</p> <p>Cyber attack / computer virus may infect the ICT infrastructure</p>	22	<p>An Audit Needs Assessment to be fully updated and agreed with Management. These could cover key areas including:</p> <ul style="list-style-type: none"> <li>• IT Security;</li> <li>• Network security;</li> <li>• IT Strategy;</li> <li>• IT disaster recovery application systems;</li> <li>• Internet and email exchange</li> <li>• Physical security of premises</li> <li>• GDPR / DPA 2018</li> </ul>
30	<p>Fraud, Bribery &amp; Ethics</p> <p>National Fraud Initiative</p>	<p>Low</p> <p><b>Risk G CRR 36</b></p>	7	<ul style="list-style-type: none"> <li>• Fraud risk governance, including legislative requirement, policies and guidance;</li> <li>• Fraud and bribery risk assessment;</li> <li>• Fraud and bribery awareness and training;</li> <li>• Examine key fraud risks</li> <li>• Investigation processes, including Human Resource cases;</li> <li>• Management information, including monitoring, means of escalation and reporting;</li> <li>• Biannual monitoring of the NFI</li> </ul>
32	Crematorium Undertaken in May of the following year	<p>Low</p> <p>Annual requirement</p> <p>Delivered jointly with Torridge DC</p>	3	<ul style="list-style-type: none"> <li>• Appropriate accounting records;</li> <li>• Financial regulations;</li> <li>• Risk assessment;</li> <li>• Income;</li> <li>• Petty cash payments;</li> <li>• Salaries;</li> <li>• Asset and investment registers;</li> <li>• Bank account reconciliations</li> </ul>
33	Transformation Programme	<p>Medium</p> <p>R CRR 01</p> <p>Prioritisation &amp; capacity to deliver.</p> <p>Also R CRR 41</p>	8	<ul style="list-style-type: none"> <li>• Transformation programme and benefits realisation plan.</li> </ul> <p>Commercialisation - is the programme delivering what is expected?</p>

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		Changing or ceasing some services Medium R CRR 37 Failure to protect physical or electronic information assets I CRR 02 Files / data stored in an alarmed but un-manned first floor unit that could be illegally accessed I CRR 03 Personal sensitive information is shared with customers I CRR 04 Holding and disposal of documents	5	<ul style="list-style-type: none"> <li>Compliance with DPA 2018 (GDPR)</li> </ul>
35	Information Governance			
37	Climate Change	??	10	<ul style="list-style-type: none"> <li>How is NDC responding to the Climate change emergency?</li> </ul>
38	Governance Arrangements	Governance (Comms, complaints, business planning, governance)	5	As NDC have recently changed from Executive structure to Scrutiny approach (Strategy & Resources), suggest it would be beneficial to review in 20/21.
	Other areas	Leisure contract (Parkwood)	5	Outsourced. New Leisure Centre opening Feb 2022. Will result in a new contract for a 20 year period (design, build and let contract). Possibly ongoing involvement from Q4 20/21 in the wider process.
	Other areas	Member Allowances	5	Allowances changed, following on from change in committee structure. Could be appropriate to review this in 20/21. Payment will also move to iTrent at a later stage.
39	Follow Up	N/A	10	Follow up of any audit area scoring a low assurance grade in the previous years.
40	Contingency	NA	10	The plan takes into consideration any risk areas for potential coverage identified throughout the year and specifically is intended to address and provide flexibility for unplanned and / or urgent audit requirements.
41	Audit Management	N/A	22	Includes: <ul style="list-style-type: none"> <li>Key responsibilities associate with the Head of Audit role;</li> <li>Audit Needs Assessment &amp; Setting the Annual Plan;</li> <li>Audit Committee &amp; External Audit Meetings;</li> <li>General Contract Management</li> </ul>
<b>TOTALS</b>			<b>218</b>	