

Internal Audit Plan

2023/24

28 March 2023

Sevenoaks District Council



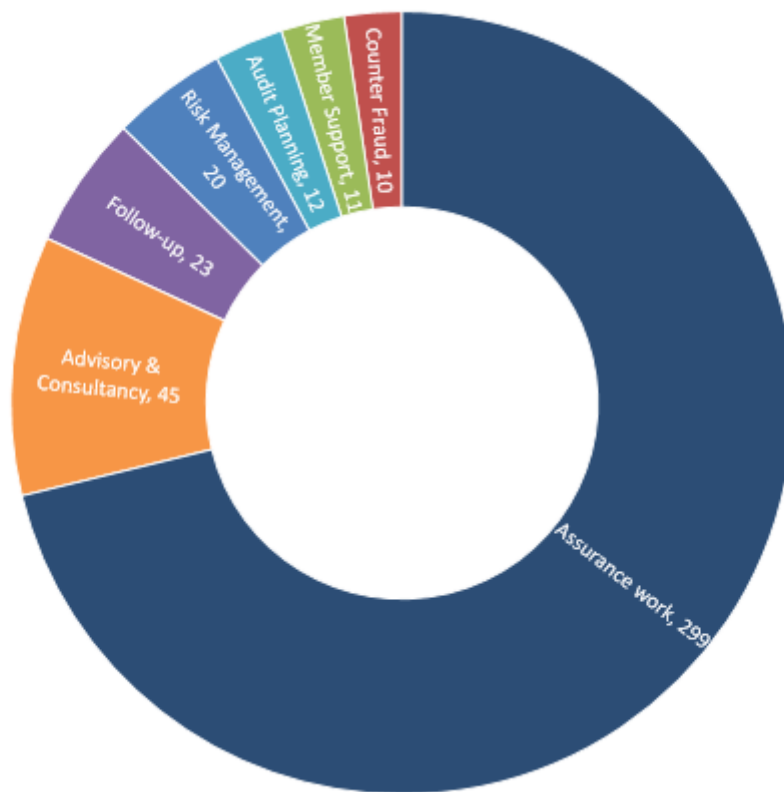
Introduction

- 1) Under the Public Sector Internal Audit Standards (PSIAS), the Chief Audit Executive is required to develop a risk-based plan of work in order to ensure both that Internal Audit resources are used to best effect and that a robust overall opinion on systems of risk management, governance and control can be delivered at the end of the year.
- 2) The main objectives of the Internal Audit Plan are to:
 - Provide sufficient coverage in order to enable an overarching opinion at the end of the year on the overall effectiveness of systems of governance, risk management and internal control
 - Be focused on key risks, and provide assurance on the Council's management of these
 - Ensure that the organisation is adequately equipped to face future challenges and achieve strategic priorities
 - Provide assurance on core systems and key controls
 - Provide advice and consultancy services based on management requests, usually in relation to new and developing systems and processes
- 3) In order to achieve these objectives, we have followed a detailed risk-based planning process. This has included review of corporate strategies and risk registers, meetings with all Service Managers, Chief Officers and the Chief Executive and consideration of the wider environment. We have taken into account how changes within the internal and external environments over the past year may have changed the risk profile of the Council as well as horizon scanning publications such as the [Institute of Internal Audit's Risk in Focus 2023](#) research.

Resources

- 4) In developing the Plan, I have to consider whether resources are sufficient to meet the Council's needs. As a result of restructuring the Audit Team, we will have two new Trainee Auditors and a new Audit Support Officer. Therefore a significant amount of time will be spent training these three new members of staff. The Trainees will also be undertaking the Internal Audit Professional level 7 Apprenticeship which will require them to use 20% of their contracted hours towards studying.
- 5) I have calculated the total days available in 2023/24 for audit work to be 420 per Council. This takes into account all resource, minus allowances for administrative tasks, leave and training. The proposed breakdown of how these 420 days will be used for Sevenoaks is shown in the Chart below:

Chart 1 – Internal Audit resource



Assurance Work

- 6) Our audit plan consists of two lists of audits, those which link directly to the Council's strategic risk register and therefore are deemed as high priority. The second list, medium priority, consists of those areas where there is a gap in audit knowledge or operational risk profiles indicate assurance would be beneficial, though do not necessarily link directly to the strategic risk register.
- 7) We propose to undertake all the high priority audits and approximately half the medium priority audits. The medium priority audits will be selected each quarter based upon their risk profile at the time.
- 8) The table over the page shows both the high and medium priority audits we aim to complete during 2023/24.

Audit Title	Priority
Authority Wide Projects	
Performance Management	High
Health & Safety	High
Finance & Trading	
Accounts Receivable Continuous Assurance	High
Treasury Management	High
Markets	Medium
CCTV	Medium
Parking Income	Medium
Cess Pools	Medium
Pest Control	Medium
Customer & Resources	
Continuous Staff Performance Monitoring	High
Subject Access Requests	High
Learning & Development – Cohort Courses	Medium
Business Rates Collection	Medium
Corporate Complaints	Medium
IT Service Desk	Medium
Facilities Management	Medium
Member Expenses & Allowances	Medium
Validation Stage Planning Consultations	Medium

Audit Title	Priority
Commercial & Property	
Capital Project	High
Asset Management	High
Property Disposals	Medium
People & Places	
Household Support Fund	High
Community Mobilisation	High
Disabled Facilities Grants	Medium
Sencio Contract	Medium
Planning & Regulatory	
Planning Enforcement	Medium
Statutory Nuisance	Medium
Temporary Events Notices	Medium
Licensing Compliance	Medium

Non-Assurance Work

- 9) As well as undertaking assurance work, we plan to deliver 121 days' of non-assurance related work. Much of this is being kept aside to allow for projects which come up during the year that we are unable to plan for, such as investigations, ad hoc advice, guidance and grant verification work.
- 10) We also plan to improve and relaunch the Council's operational risk management framework during this coming year as well as complete some requested consultancy work.

Performance Indicators

- 11) As a result of changes in methodology, some of our performance indicators from 2022/23 are no longer fit for purpose and therefore a new suite of indicators is proposed below. These will allow for a renewed focus on the added value the Internal Audit Partnership brings to the Council and enables a new focus on implementing and embedding an increased use of data analytics to support our work.

Finance: Associated performance indicators

F1: Percentage of budgeted days taken to complete projects – *Target 110%*

Reported on a **cumulative** basis

Indicator measures any variance between the days agreed on the final brief vs. the actual time coded

F2: Chargeable days – *Target 65%*

Reported **quarterly**

Indicator measures the actual chargeable activities against the assumptions made in the audit plan

Client satisfaction: Associated performance indicators

C1: Percentage of audits with real time service improvements – *Information only*

Reported **quarterly**

Indicator measures percentage of audits which result in service improvements identified and actioned during the audit process and not included in management action plans

C2: Respondents agreement with the audit actions – *Target 90%*

Reported **project by project**

Indicator measures Client agreement to the audit findings and resulting actions from our audit work

Internal processes: Associated performance indicators

I1: Percentage of draft audit reports issued by the date given on the final audit brief - *Target 70%*

Reported **quarterly**

Indicator measures the efficiency of our audit work and effective engagement between auditors and clients

I2: Time taken between issue of the DRAFT report and FINAL report – *Target 15 working days*

Reported **quarterly**

Indicator measures the effectiveness of our process to finalise audit reports and currency of reporting

Learning & Development: Associated performance indicators

L1: Audit actions fully implemented within agreed timescales – *Target 80%*

Reported **quarterly**

Indicator measures the successful implementation of audit actions and the effectiveness of our follow-up process

L2: Number of audits using data analytics tools – *Target 60%*

Reported **quarterly**

Indicator measures our development of the use of data analytics to enable greater assurance to be provided.

- 12) Some of the indicators remain the same but with different target. This is to reflect the changing skill profile of the team, with the change in two posts from experienced auditors to trainees, there will be an impact in delivery and I have therefore amended our targets to reflect this while also encouraging an improvement in our performance.

Other Activities

- 13) During the year, we will be re-developing our Quality Assurance and Improvement Programme and reporting to Members on progress towards its completion. This new programme will address skills shortages within the team as well as improving our processes to ensure we are meeting the Public Sector Internal Audit Standards and improving the service we deliver to the Council.