

Internal Audit Plan

2024/25

16 April 2024

Sevenoaks District Council



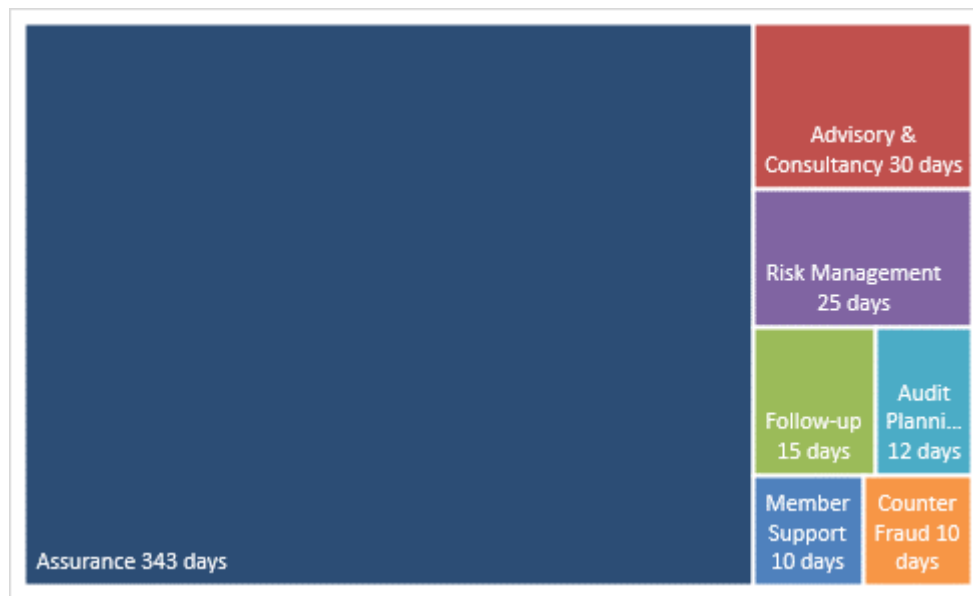
Introduction

- 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 2024](#) research.

Resources

- 4) Standard 2030 – Resource Management, indicates that I must ensure that the internal audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan. Unfortunately, our latest effort to recruit a Lead Auditor was again unsuccessful and so there is still a gap in our structure, which affects both the appropriate and sufficient elements of this Standard. As a result, while I explore solutions to this issue, I will be looking to increase both capacity and capability within the team by looking to external sources for additional support.
- 5) Given the capacity of our current in-house team and our available budget for seeking external support, I have calculated the total days available in 2024/25 for audit work to be 445 per Council. This takes into account all resource, minus allowances for administrative tasks, leave and training. The proposed breakdown of how these 445 days will be used for Dartford is shown in the Chart below:

Chart 1 – Internal Audit resource



Risk Based Plan

- 6) Standard 2010 – Planning, states “The chief audit executive must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation’s goals.” To achieve this, I have completed a risk assessment across the Council’s activities, taking into account the Council’s corporate risk register, Council Plan, provision of alternative assurance and recent internal audit activity. I have also met with senior officers as well as the Leadership Team to understand their expectations.
- 7) This risk assessment process enables me to identify key areas for inclusion into the audit plan for 2024/25 and in particular break down key areas which support the mitigation of the Council’s corporate risks and those which will support mitigation of operational risks.
- 8) Implementation guidance to support Standard 2010 advises that the audit plan should be flexible to allow the CAE to adapt the plan to changes to the Council’s business, risks, operations, programs, systems, and controls. To be able to achieve that flexibility, I am proposing that the audit plan become a rolling plan, which will give provision for audits for the coming 12 months and will be reviewed every 6 months.

Assurance Work

- 9) The table below lists suggested projects for the coming 12 months with an indication of whether the audit aims to provide assurance or consultation. The list provides more projects than is achievable to provide flexibility based upon risk profiles, availability and any other new information that may impact on a decision to complete an audit or not.

We aim to complete approximately two thirds of the list in order to provide adequate coverage to support the overall opinion in July 2025.

Audit Title	Engagement Type
Authority Wide Projects	
Performance Management	Assurance
Business Continuity	Assurance
Equalities	Assurance
Finance & Trading	
Accounts Payable Continuous Assurance	Assurance
Treasury Management	Assurance
Revenue Budget Monitoring	Assurance
CCTV	Assurance
Recycling Performance	Assurance
Fees & Charges	Assurance
Parking Enforcement	Assurance
Customer & Resources	
Council Tax Annual Billing	Assurance
Facilities Management	Assurance
Members Expenses & Allowances	Assurance
Facilities Management	Assurance
Corporate Complaints	Assurance
IT Audit Needs Analysis	Consultation
Absence Management	Assurance

Audit Title	Engagement Type
Learning & Development	Assurance
People & Places	
Meeting Point	Assurance
Asset Management	Assurance
West Kent Partnership	Assurance
Private Sector Housing Landlord Complaints	Assurance
HERO	Assurance
Community Safety	Assurance
Planning & Regulatory	
Community Infrastructure Levy	Assurance
Premises Licensing	Assurance
Licensing Partnership Hub	Assurance
Food Safety	Assurance

Other Work

- 10) As well as the suggested projects above, we have projected a further 70 days, which will be split out as indicated in the chart above to support other work streams such as counter fraud investigations, follow-ups, ad-hoc advice and guidance as well as grant verification work.

Performance Indicators

- 11) Our performance indicators remain unchanged from last year and are designed in order to allow us to monitor improvements in both our effectiveness and efficiency. The table over the page lists these out.

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.

Other Activities

- 12) During the year, we will be changing our audit management system having completed a procurement exercise recently. Currently, implementation of the new system is scheduled to start in May. We will be taking this opportunity to review the way we complete our work in order to improve both effectiveness and efficiency to improve the value we offer to the Council. This will affect delivery of audits in the first half of the audit year while the team familiarise themselves both with the new system and any changes to our processes.
- 13) Additionally, the Institute of Internal Auditors has recently published new Global Internal Audit Standards, which will come into effect from 9 January 2025. As a result, we will need to complete a gap analysis to identify where current practices do not meet the new Standards and produce a new Quality Assurance and Improvement Program to support compliance from January. We will look to incorporate this analysis with any changes we make to facilitate use of the new system. Additionally, we will be providing a summary of the changes in a report to Audit Board later in the year.
- 14) Both these projects have been factored into the resourcing calculations shown above.