

# Internal Audit Annual Plan 2024/2025

March 2024 Version 1.0



Appendix A

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# Introduction

## The Role of Internal Audit

The role of internal audit is that of an:

*Independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.'*

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.

The aim of internal audit's work programme is to provide independent and objective assurance to management, in relation to the business activities, systems and/or processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and

- risk to the achievement of the Council's objectives is identified, assessed, and managed to a defined acceptable level.

The internal audit plan provides the mechanism through which the Head of Internal Audit can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control, and governance arrangements.

Internal audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the relevant audit sponsors, to ensure it continues to reflect the needs of the Council. Amendments to the plan will be identified through continued contact and liaison with those responsible for the governance of the Council.

## Your Internal Audit Team

Your internal audit service is led by Claire Goodenough, supported by Sara Jackson and Matt Waller as Audit Managers. The audit team is separated into two delivery strands; the LCC team which encompasses maintained, prime account schools and academies; and the district team which covers external services provided to five external clients. The LCC team comprises of Sara Jackson, four principal auditors and is supported by several audit seniors. There are currently no vacancies at principal level and one vacancy for an IT specialist.

## Conformance with Internal Auditing Standards

The internal audit team is designed to conform to Public Sector Internal Audit Standards (PSIAS). Under the PSIAS there is a requirement for audit services to have an external quality assessment every five years. In February 2022, CIPFA were commissioned to complete an external quality assessment of the Internal Audit Team at Lincolnshire County Council (Assurance Lincolnshire) against the PSIAS, Local Government Application Note and the International Professional Practice Framework.

In their consideration of the evidence presented, the external assessment team concluded:

*“Assurance Lincolnshire partnership’s self-assessment is accurate and as such we conclude that they FULLY CONFORM to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note.”*

## Conflicts of Interest

The internal audit team are not aware of any relationships that may affect the independence and objectivity of the team which are required to be disclosed under internal auditing standards. This remains under review for each assignment prior to allocation of resource.

## Corporate Plan

The Corporate Plan for Lincolnshire County Council sets out four key ambitions for what they want to achieve for residents and communities.

These ambitions are:

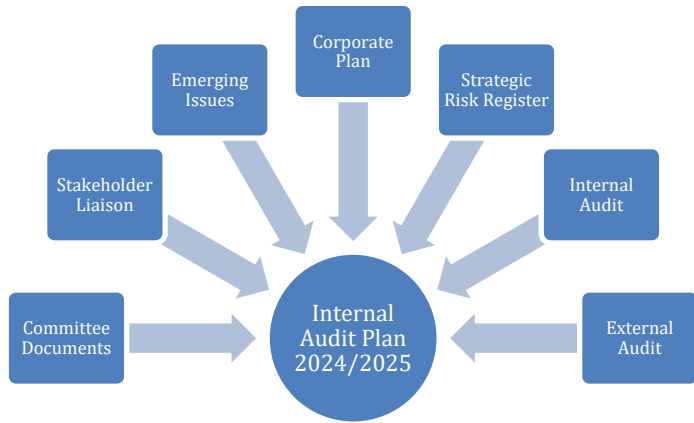
- support high aspirations,
- enable everyone to enjoy life to the full,
- create thriving environments and
- provide good value council services.

The corporate plan acts as a framework for the Council to operate in a way that means they are clear on their ambitions.

The ambitions are underpinned by a range of projects they will achieve to secure their performance. The success framework is supported by key performance indicators to demonstrate performance of services and key projects in Lincolnshire.

## Developing the Internal Audit Plan 2024/2025

Internal audit used various sources of information and data to inform the development of the internal audit plan.



In determining the areas of work covered by the internal Audit team, various sources of information, shown in figure 1, are utilised to inform the audit plan. Initial discussions have taken place to ascertain the spread of assurance and the relevance. Further scoping work will be undertaken with Executive directors to ensure we maximise impact and value.

During the year internal audit and counter fraud will work together to support effective delivery and reduce the impact upon service delivery through one visit with multiple outcomes.

Figure 1

In accordance with the Public Sector Internal Audit Standards there is a requirement that internal audit establish a risk-based audit plan to determine the resourcing of the internal audit service, consistent with the organisation’s goals.

To ensure internal audit focus remains timely and relevant to the changing needs and requirements of the organisation, the audit team has moved to a two-stage planning process. This report contains proposed internal audit coverage during quarters one and two with indicative coverage included for quarters three and four. Any amendments to the indicative delivery will be shared with the committee and senior management because of the risk-based approach.

The Council are reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not, seek to cover all risks and processes within the organisation. Internal audit will continue to work closely with other assurance providers to ensure that duplication is minimised, and a suitable breadth of assurance is obtained.

## Internal Audit Plan 2024/25

Audit Review	Audit Sponsor	Potential Scope	Risk Link	Link to Corporate Plan	Proposed Timing
Complaints	<b>Executive Director of Resources</b>	Overview of policy implementation, accuracy of reporting and policy adherence.		Support high aspirations	Q1
FOI/SAR	<b>Executive Director of Resources</b>	Overview of policy implementation, responses within statutory periods, training and understanding.		Support high aspirations	Q1
BW - Governance and tracking	<b>Executive Director of Resources</b>	Assessment of application of work arounds, access levels awarded, approval processes, overtyping permissions and audit trails.	Key Controls		Q1
Transparency Code	<b>Monitoring Officer</b>	Application of Transparency Code (2015) requirements and adherence through reporting actions.	Statutory Compliance		Q2
Stock Controls and Organisation	<b>Executive Director Place</b>	Review of ordering, control, application and stock processes for purchases around commercial events - e.g. museums, wedding venues, venue hire.		Providing good value council services	Q2
Contract Management	<b>Executive Director of Resources</b>	Review of revenue contract spend to ascertain the contract decision making processes utilised and assess exemption criteria application and record keeping.		Providing good value council services	Q2
RAAC and Asset Risk Oversight	<b>Executive Director of Resources</b>	Following up on consultancy work undertaken in 2023/24 to review implementation of improved practice, risk application and awareness of potential impacts upon the Council's asset portfolio, safety and wellbeing.		Support high aspirations	Q2

<b>Audit Review</b>	<b>Audit Sponsor</b>	<b>Potential Scope</b>	<b>Risk Link</b>	<b>Link to Corporate Plan</b>	<b>Proposed Timing</b>
Follow Up Reviews.		Evidenced based evaluation for the implementation status of agreed management actions due before July 2024.			Q2
PCI DSS Compliance	<b>Executive Director of Resources</b>	Compliance with the Payment Card Industry Data Security Standard requirements across Council collection services.	Statutory Compliance		Q3
HR Policy Implementation and Impact	<b>Executive Director of Resources</b>	Review impact of HR policy overhaul undertaken c2021, including process delivery, and original scope expectations.		Providing good value council services	Q3
Trading Standards: Vetting Procedures and Application	<b>Executive Director of Adult Care and Community Wellbeing</b>	Review of changes and improvements made to internal and external vetting processes and their application for internal, external and contractual appointments.		Providing good value council services	Q3
Value for Money in Large Contracts	<b>To be Determined</b>	Review of value for money work delivered across significant council contracts exceeding a specified value. (Value to be determined prior to commencement).		Providing good value council services	Q3
Financial Planning in High Demand - School Transport and Market Supply	<b>Executive Director Place &amp; Adult Care and Community Wellbeing</b>	Review of financial planning processes, information sharing and council reporting to support risk reduction incurred in high demand delivery areas.	Market Supply	Providing good value council services	Q3/Q4
Payroll	<b>Executive Director of Resources</b>	Full review of payroll systems, processes and controls following inhouse provision of service and appointment of lead officers.	Key Controls		Q3/4

Audit Review	Audit Sponsor	Potential Scope	Risk Link	Link to Corporate Plan	Proposed Timing
Follow Up Reviews.		Evidenced based evaluation for the implementation status of agreed management actions due before February 2025.			Q4
Contingency - responding to risk-based needs arising in year.		Hold for additional risk-based work arising in year			N/A

**Audit Sponsors & Statutory Officers**

**Chief Executive**  
Debbie Barnes

**Deputy Chief Executive**  
Andrew Crookham

**Monitoring Officer**  
Will Bell

**Executive Director Place**  
Andy Gutherson

**Executive Director of Children's Services**  
Heather Sandy

**Executive Director of Adult Care and Community Wellbeing**  
Martin Samuels

**Director of Public Health**  
Derek Ward

**Executive Director of Resources**  
Andrew Crookham