Report

Report to:	**Risk and Audit Scrutiny Committee**
Date of Meeting:	**26 March 2024**
Report by:	**Executive Director (Finance and Corporate Resources)**

Subject:	**2024/2025 Internal Audit Plan**

1. Purpose of Report

1.1. The purpose of the report is to:-

♦ seek approval of the proposed Internal Audit Plan for 2024/2025

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

(1) that the proposed Internal Audit Plan for 2024/2025, as detailed in Appendix 3 to the report, be approved; and

(2) that it be noted that a detailed, strategic 3-year plan be presented after the first quarter of 2024/2025 in relation to proposed audit areas across all Fusion functions for 2024/2025 and, indicatively, through to 2026/2027.

3. Background

3.1. Internal Audit within South Lanarkshire Council forms part of the Council's wider governance framework and output from the function is the delivery of a planned programme of internal audit assignments. Each assignment is formally reported to the Council's Risk and Audit Scrutiny Committee (RASC) and an audit opinion expressed based on the level of assurance that testing has provided. The definitions of the various levels of assurance that are expressed within an audit report are included at Appendix 1. These assurances, in turn, inform an overall audit opinion of the adequacy and effectiveness of the Council's framework of governance, risk management and control arrangements that is reported annually to the Committee and captured within the Council's Governance Statement that forms part of the Annual Accounts.

4. Internal Audit Plan 2024/2025
Internal Audit Charter and Public Sector Internal Audit Standards

4.1. The function operates within the context of an Internal Audit Charter (see Appendix 2) and a set of internal audit standards known as the Public Sector Internal Audit Standards (PSIAS). The Council's Internal Audit function's compliance with PSIAS was externally assessed in 2022/2023 and the outcome of this review reported to the Committee in October 2023. A few areas of improvement were highlighted and an update on progress with addressing these actions will be included within the 2023/2024 Internal Audit Annual Report presented to the Committee in June 2024. Two of the actions, however, are relevant to the audit planning process and an earlier update is provided below in respect of these:-

♦ The relationship between the Chief Internal Auditor and the Monitoring Officer is clarified in the next update to the Internal Audit Charter
  ✓ Internal Audit Charter updated (see section on *Escalation*)

♦ Audit Activities should be prioritised as part of the South Lanarkshire Annual Audit Plan
  ✓ Audit activities prioritised (detail now provided in Appendix 3 with priority assignments graded as 'H' – High)

4.2. New Internal Audit Standards will be effective from January 2025 with PSIAS currently being updated to reflect these new standards within a UK public sector context. It is anticipated that any subsequent changes to the UK's PSIAS, and their implementation, will be subject to consultation and appropriate transitional arrangements. At this point in time, compliance with the Standards continues to be an annual self-assessment exercise (with a periodic independent external inspection) and an annual statement or report on the function's level of compliance.

4.3. PSIAS require a specific risk-based approach to be taken when preparing audit plans and all planning requirements within the Standards have been applied in preparation of the 2024/2025 Internal Audit Plan. The risks assessment matrix utilised when evaluating each audit 'idea' is set out in the matrix attached at Appendix 4.

Capacity Planning

4.4. At the outset of the planning process each year, capacity to deliver the Audit Plan needs to be determined. Capacity in 2024/2025 has been adjusted to remove the time required to deliver audit plans for the function's 4 external clients[1] and for estimated planned and unplanned leave during the year. This process determined that 1,145 days are available to deliver the Council's audit plan in 2024/2025.

Planning Themes

4.5. The work of the function contributes towards the priorities and values set out within the Council Plan by committing resources to support corporate activity and delivering a core, rolling programme of work that assesses the extent to which financial, operational and reputational risks are mitigated by a series of effective internal controls. This is presented as a balanced plan that complies with PSIAS in terms of its methodology and approach, maximises the resources and skills available within the Council and delivers a programme of work that informs the annual audit opinion. Key themes of the Plan are set out in the diagram below:-

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[1] South Lanarkshire Leisure and Culture, Lanarkshire Valuation Joint Board, SEEMIS and South Lanarkshire Health and Social Care

Content of the Plan

4.6.   In 2024/2025, the audit plan recognises the need to commit time to Fusion, a significant new human resources and financial accounting system that will be implemented by South Lanarkshire Council in this year. This new IT system will bring fundamental changes to the Council's business processes and, with this will come, a suite of new, embedded system controls. At the start of the financial year there will still be a requirement to input to the testing of costing and reconciliation solutions as well as to provide advice and guidance around changes in internal controls relating to new automated processes and workflows. Once complete, this will allow a programme of audit work to be developed that will span a 3-year period. At the point of drafting the Plan, estimates have been made of the commitments required across all aspects of implementation and testing, but this requires further refinement as the Council move towards go live and into the early post go live period. In the medium term, the Council will also implement new social care and housing IT systems and audit work across all of these core systems will form an element of the Audit Plan in the next 3 to 5 years.

4.7.   These commitments must be balanced with the delivery of routine corporate activities and a programme of audits that deliver the function's core objectives as set out in the Internal Audit Charter.

4.8.   Over-arching all of this are fundamental changes as to how internal audits are being delivered and there is a growing need to develop skill sets within the Council's own internal audit function to make best use of opportunities around the emerging use of data analytics to interrogate systems and controls. This 'data analytic' approach uses data extracted from operational and financial systems and analyses to identify trends and patterns, be it historical, real-time, or predictive. The real benefit to Resources is that this provides management information that can be filtered through a series of risk indicators highlighting areas where internal controls are not working as intended or, potentially, where fraud is occurring. From an audit perspective, this tool provides assurance across a wider data set and limits testing to targeted areas. Time has been included in the 2024/2025 Plan to prepare a strategy, develop skills within the team and to establish how outputs from major, new Council systems can be used to refine the data analytical approach of Internal Audit in the future.

4.9.   Reflecting all these considerations, a Plan has been drafted and is attached at Appendix 3. As required by PSIAS, each of these audits will be conducted in accordance with the revised PSIAS and within the context of the Internal Audit Charter.

4.10.   The Plan sets out the name of the proposed assignment, the lead Resource and a brief outline scope for each proposed assignment. Objectives and scopes will be refined by auditors prior to the commencement of work and once a full risk analysis has been completed and key controls identified. Clients will be involved in this initial risk and control assessment and will be consulted prior to the preparation of the audit remit for each assignment.

4.11.   To provide further context for this work, assignments have been linked to the Council Plan's priorities and, where relevant, the top risks as set out in the Corporate Risk Register. Assignments related to corporate tasks do not have a link to the Council's top risk register.

4.12.   Progress against the audit strategy will be monitored and reported to the Committee as part of regular monitoring reports that are presented at each meeting. Delivery of the strategy will be evidenced by the completion of the 2024/2025 Internal Audit Plan. The risk of significant subsequent changes to the Plan, arising from a change in the

Council's priorities or risks, are managed through a level of contingency time that continues to be built in to provide flexibility throughout the year. Key performance indicators will be reported to the Committee within routine activity reports and the annual assurance report.

4.13. The Committee is asked to approve the 2024/2025 Internal Audit Plan attached at Appendix 3.

5. Employee Implications
5.1. There are 1,287 audit days calculated as being available in 2024/2025 (inclusive of days to deliver an internal audit service to external clients). Year on year comparisons of the number of days available are difficult due to in year variations linked to periods of planned leave, secondments and personnel changes. All known factors have been reflected in capacity planning. The underlying assumptions will be reviewed throughout the year and any significant changes to the Plan will be re-presented to the Committee.

6. Financial Implications
6.1. Capacity planning has been based on available budget. This is considered to provide sufficient resources to deliver the Audit Plan.

7. Other Implications
7.1. To mitigate against the risk of non-delivery of the Plan, the progress of every assignment is monitored using the Council's risk management software, Figtree. Audit performance requires co-operation from Services and delivery of the Plan is dependent on assignments being completed within reasonable timeframes.

8. Climate Change, Sustainability and Environmental Implications
8.1 There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

9. Equality Impact Assessment and Consultation Arrangements
9.1. There is no requirement to conduct an equality impact assessment on the proposed Audit Plan. As part of the process, there has been extensive consultation during preparation of the Plan and all returned suggestions were included within the initial "audit universe" for risk evaluation using the matrix set out at Appendix 4.

9.2. The Plan includes time to provide data to the Council's External Auditors to assist with their audit and to respond to queries. A copy of the Plan will be shared with Audit Scotland to ascertain areas where they wish to place reliance on output from the 2024/2025 Internal Audit Plan.

Jackie Taylor
Executive Director (Finance and Corporate Resources)

8 March 2024

Link(s) to Council Values/Priorities/Outcomes
♦ Accountable, effective, efficient and transparent

Previous References
♦ Risk and Audit Scrutiny Committee - 2023/2024 Internal Audit Plan, 7 March 2023

♦ Risk and Audit Scrutiny Committee - 2022/2023 External Quality Assessment of Internal Audit Service, 31 October 2023

List of Background Papers
♦ PSIAS
♦ Internal Audit planning documentation

Contact for Further Information
If you would like to inspect the background papers or want further information, please contact:-
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Substantial	•There is a sound system of internal control designed to achieve the Service objectives. Advisory risk assessment may be given. No action required or Advisory action recommended by Internal Audit.
Reasonable	•Whilst there is a basically sound system of internal control, there are weaknesses which do not have a risk impact but have been raised to highlight areas of inefficiencies. Advisory or Low risk assessment given. Actions recommended by Internal Audit.
Limited	•Weaknesses in the internal controls are such as to put the Service objectives at risk. Medium or High risk assessment given.
None	•Control is generally weak leaving the Service open to significant error or abuse.

South Lanarkshire Council
Internal Audit Charter

Purpose

Internal Audit is an in-house, independent assurance function that provides an objective opinion and consultative guidance to South Lanarkshire Council and external clients on how well risks are controlled within their operations.

Internal Audit provides managers and elected members with assurance on how well processes and procedures in place are controlling the associated risks and recommends actions for improvements to ensure controls are effectively managed.

This complies with the definition of Internal Audit included within the Public Sector Internal Audit Standards (PSIAS):

"Internal Audit is 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."

Compliance with PSIAS is mandatory from 1 April 2013.

The Standards were revised from 1 April 2017 to incorporate new and revised international standards resulting in additional public sector requirements and interpretations.

The Internal Audit service reports to the Risk and Audit Scrutiny Committee (RASC) who for the purposes of PSIAS are defined as the Board . This Committee serves as the Audit Committee for SLC and independently provides assurance on the soundness of the Council's control environment and the adequacy of the risk management framework. It also delivers scrutiny and oversees external financial reporting processes. The Committee is made up of ten members of the Council and is chaired by a member of the opposition party. Membership changes with each new Council to ensure political balance.

An Annual Statement of Assurance is provided to this Committee and elected members by the Audit and Compliance Manager, to report on the adequacy and effectiveness of the governnace, risk management and control arrangements in place. Assurance is based on the professional practices outlined within Internal Audit's Audit Manual.

The authority to deliver an internal audit service is contained within SLC's Financial Regulations, Standing Orders and Scheme of Delegation (all of which are available on the intranet) as well as in the Council's Counter Fraud, Bribery and Corruption Policy Statement and Strategy.

For internal audit work delivered to external bodies, authority is provided by the Accounts Commission's 'Code of Guidance on Following the Public Pound' as well as Service Level Statements agreed with clients.

As well as professional standards Internal Audit will be bound by SLC local standards including the Employee Code of Conduct and the Code of Corporate Governance.

Relationship with the Risk and Audit Scrutiny Committee

The Executive Director Finance and Corporate Resources and the Audit and Compliance Manager should seek to maintain sound working relationships with appropriate elected members and ensure that good channels of communication are maintained. Within South Lanarkshire Council, the Audit and Compliance Manager is considered to be the Chief Internal Auditor. The Chair of the RASC and the Audit and Compliance Manager may meet privately from time to time to discuss audit findings, the performance of the Committee and other related matters. Internal Audit report all findings from concluded assignments via progress reports to the RASC. Lines of communication between the Chairs of all Committees and the Audit and Compliance Manager will be open at all times.

All elected members are free to raise concerns directly with the Audit and Compliance Manager and input to the audit plan but these will be assessed in terms of risk prior to any audit work being undertaken.

Enquiries from elected members will follow the Council's protocols and guidance.

Objective

Internal Audit's objectives are to:

- improve internal control through provision of advice and guidance on preventative measures and good governance
- safeguard public expenditure and ensure control over Council capital, revenue and project expenditure and minimise loss through a programme of routine and contract audits
- promote compliance with all corporate standards and frameworks, ensure that management information is produced accurately and safeguard the Council's computer and on-line transactions with particular emphasis on security, efficiency and sustainable service delivery
- deliver objective assurance over controls within operational and financial systems and governance arrangements
- contribute to efficiency by identifying opportunities and leading the mangement of the fraud risk
- promote risk awareness and plan risk-based audit work within available resources
- meet agreed targets directing all efforts towards sound performance in all areas

In delivering the above objectives, Council values and Performance and Development requirements will be adhered to.

Role and Scope of Work

To provide the assurance of controls in place within processes and procedures across the entire control environment of the organisation, Internal Audit will:

- independently review and appraise all systems of financial and operational control in terms of their adequacy and application;
- ascertain the extent of compliance with financial and operational procedures, policies, regulations and legislation and their impact on operations;
- advise on control implications for new and modified IT systems;
- provide advice and guidance and contribute to working groups and ad-hoc strategic exercises;
- provide consultancy services (which is defined for the purposes on PSIAS as pertaining to the provision of advice and guidance to Council Resources) on a secondment or

group representation basis, provided this does not compromise independence and that a sufficient period elapses before auditors formally review those services where consultancy has been provided (usually one year);

- perform periodic governance checks;
- provide written assurance in selected areas as well as an overall opinion at least once per annum;
- recommend improvements in control, performance and productivity in achieving corporate objectives;
- follow-up the extent to which earlier recommendations have been implemented;
- work in partnership with external auditors;
- detect, prevent and investigate fraud and crime in accordance with approved anti-fraud strategies and policies.
- undertake investigitative audits in respect of potential fraud, irregularity and serious breaches of governance and, as such, is required to be notified of all suspected or detected fraud, corruption or impropriety. It also monitors devolved responsibility for investigation by Resources.

Internal audit testing may go beyond the records and adopt a more direct approach, including interviews, fact finding and on site surveys.

The existence of Internal Audit does not diminish the responsibility of management to exercise sound systems of internal control. It is clearly and solely a management responsibility to ensure that activities are conducted in a secure, efficient and well-ordered manner and that finances are safeguarded and used to maximum effect. This includes identifying and managing risks including fraud.

Managers are expected to provide requested information within a reasonable timescale and earlier than the equivalent timescale for Freedom of Information (FOI) Requests. Managers are expected to respond to assignment feedback requests, usually within seven days and to draft reports within fourteen days.

Internal Audit charges a fee for work performed for external clients, subject to agreed Service Level Statements. In addition, Internal Audit may undertake work relating to external bodies funded by the Council or partners, as authorised by the Following the Public Pound guidance.

Internal Audit may work jointly with neighbouring authorities, local health boards, Scottish Government departments and external auditors on a variety of projects, aimed at improving the control and/or efficiency environment of public sector bodies.

Independence

Internal Audit is located within Audit and Compliance Services, under the direction of the Proper Officer, the Executive Director Finance and Corporate Resources.

In addition, general management duties will be delegated from the Executive Director Finance and Corporate Resources to the Audit and Compliance Manager and will cover audit matters as well as general management duties, including representation on the Resources Senior Management Team.

The Audit and Compliance Manager has management responsibilities outwith Internal Audit for Funding and Compliance Services. It is recognised that arrangements are required to be in place for any audit work in this area to allow this to be managed indepenently of the Audit and Compliance Manager. The specific nature of these arrangements will be reported to the RASC when audit activity in this area is planned.

The establishment structure will comprise qualified and technician posts with a mix of professional specialisms. Structural reviews may take place from time to time and regular resource monitoring is reported to the RASC. Any reduction in resources which might jeopardise the delivery of assurance will be immediately reported to the Executive Director Finance and Corporate Resources in the first instance.

As far as is practicable, Internal Audit should not participate in the day-to-day operation of any internal systems of financial or operational control.

Plans will be formed to reflect organisational audit needs but within available resources.

Upon request from the Executive Director Finance and Corporate Resources, appropriate specialists from other departments should be made available to take part in any audit requiring specialist knowledge.

Within SLC, the Employee Code of Conduct provides guidance on the type and nature of interests that should be declared (including paid employment outside the Council and personal interests in contracts). Auditors must declare their interests in accordance with the Code of Conduct and with regard to the audit principle of independence, and notify the Audit and Compliance Manager of any conflicts of interest which may arise. This formal declaration is renewed on an annual basis but can be revisited should any conflicts arise.

Auditors will not be assigned to review or be involved in any activity where they have previously had operational or other involvement, usually within a period of one year. This includes instances where Internal Audit employees have been consulted during system, policy or procedural developments.

Access

Internal Auditors have authorisation from the Council to examine all council records, IT systems, cash, stores and other property, to obtain explanations and to enter Council property or land.

Access is unrestricted and shall be granted on demand and not necessarily be subject to prior notice.

Reporting

All planned audit assignments will formally be reported and every assignment will be closed after review by audit management. All Internal Audit reports will be submitted to the Executive Director Finance and Corporate Resources, and to recipients within the Resource being audited, incluing the Executive Director, Head of Service and the auditee. Circulation to the Chair of the Resource Committee is the responsibility of the Executive Director. Copies of reports relating to routine planned assignments will also be forwarded to external auditors.

The Audit Manager will plan for regular formal consultations with Heads of Service and Executive Directors, especially when preparing the formal audit plan. Feedback on performance and value of work undertaken will be sought. Heads of Service will be copied on every report affecting their area of responsibility. Effective relationships will be maintained by both parties and confidentiality of information will be protected, unless this would prevent the delivery of audit assurance. Timing of work is subject to consultation but this will not preclude unannounced visits when necessary or requested by Executive Officers or Members.

Best practice dictates that the Head of Internal Audit must report to those charged with governance. In SLC this means that the Audit and Compliance Manager reports to the Corporate Management Team (CMT) and the RASC.

The CMT is made up of Executive Directors covering all Council Resources, who for the purposes of PSIAS, are defined as Senior Management. The CMT endorses, as a minimum the Internal Audit Plan and the Internal Audit Annual Report, which provides the opinion on the adequacy and effectiveness of the Council's governnace, risk management and control arrangements.

Internal Audit also reports plans, annual assurance and all audit findings to the RASC. For external clients, reports and opinions will also be offered to audit committees, where these exist, or to client Boards and senior management teams.

Escalation

The Audit and Compliance Manager has direct access, reports and is accountable to the Executive Director Finance and Corporate Resources, the Proper Officer, as defined in Section 95, Local Government Act 1973 and meets with this officer on a regular one to one basis.

This relationship will be the escalation route for issues arising within Internal Audit and for those matters where it is appropriate for the Chair of the RASC to be briefed. The Audit and Compliance Manager's relationship with the Chair of the RASC and elected members is deatiled above within the section 'Relationship with the Risk and Audit Scrutiny Committee'.

Auditors will use escalation processes so that slippage in relation to the delivery of audit assignments can be dealt with swiftly.

The Audit and Compliance Manager also has direct access to the Council's Monitoring Officer and will use this route to report as appropriate.

Responsibilities

In delivering assurance, Internal Audit adopts a predominantly systems-based approach to audit. In discharge of this duty, the Audit and Compliance Manager will:

- prepare an <u>annual plan</u> for formal agreement
- deliver a range of <u>audit assignments</u>, resulting in reports for management. Occasionally, letters or memos, rather than full reports will be issued. This usually occurs where few concerns are raised during the audit or where work is of a rolling nature, for example spot cash counts
- make <u>recommendations</u> for improvements
- provide <u>Committee reports</u> and other briefings to provide advice or raise awareness of performance or risk issues
- ensure a system of <u>close supervision</u> of audit work, and maintain a review of audit files through the supervisory structure
- maintain a skill level within the section specifically for the <u>investigation of fraud</u>
- provide an <u>annual opinion</u> within a full annual audit assurance statement, for agreement with the Chief Executive and Executive Director Finance and Corporate Resources and onward presentation to the RASC.

Lead Resource	Audit assignment	Outline Scope	Days	Council Priority	Top Risk ranking	Priority
Governance and Corporate Tasks						
FCR	Governance Statement	Undertake review of evidence that supports SLC's Annual Governance Statement and provide 2023/2024 annual assurance statement for Glasgow City Region – City Deal.	5	Work to recover, progress and improve.		High
All	Informal Follow Up	Prompt Resources on a quarterly and monthly basis of actions due within that period. Collate responses for reporting.	6	Work to recover, progress and improve.		High
FCR	External Audit	Provide 2023/2024 general ledger data to External Audit for the audit of the financial accounts for the year ended 31 March 2024.	25	Work to recover, progress and improve.		Medium
FCR	2023/2024 Annual Report	Finalise 2023/2024 audit reports. Prepare annual statement of assurance for 2023/2024. Present to RASC.	65	Work to recover, progress and improve.		High
All	Attend internal and external working groups	Attend, respond to requests, participate in consultations and provide updates.	15	Work to recover, progress and improve.		Medium
All	Committee reporting	Prepare reports to present to RASC.	10	Work to recover, progress and improve.		High
All	2025/2026 Audit Plan	Undertake consultation, risk assessment, Resource and Section planning, set scopes and objectives and seek approval through preparation of reports.	10	Work to recover, progress and improve.		High
All	National Fraud Initiative	Conclude coordination of investigation of matches from 2022 National Fraud Initiative Exercise (including time to	65	Work to recover, progress and improve.	High	High

Lead Resource	Audit assignment	Outline Scope	Days	Council Priority	Top Risk ranking	Priority
		investigate some categories of matches). Report outcomes to RASC. Upload data for 2024 National Fraud Initiative Exercise.				
All	Advice and guidance	Provision of advice and guidance.	60	Work to recover, progress and improve.		High
All	Data Analytics	Develop strategy, train team and identify areas of application.	32	Work to recover, progress and improve.		High
Internal Controls						
All	General Follow Up	For all Council Resources, identify audit recommendations due in the period April 2023 to March 2024. Risk assess and follow-up to ensure implementation of all high risk actions.	15	Work to recover, progress and improve.		High
All	General contingency	Respond to requests for unplanned work.	62	Work to recover, progress and improve.		High
FCR	Fusion	Support implementation of project. Testing of system post implementation.	345	Work to recover, progress and improve.	High	High
All	Fraud	React to fraud alerts through internal and external sources and disseminate information as appropriate. Undertake investigations as required.	100	Work to recover, progress and improve.	High	High
EDR	Independent School Placements	Provide assurances that the joint process to review / agree the "placement" of a child / young person in an Independent School is working as intended.	35	Put people first and reduce inequality.	High	Medium

Lead Resource	Audit assignment	Outline Scope	Days	Council Priority	Top Risk ranking	Priority
EDR	School Funds	Provide advice and guidance on core controls (including online banking risks/controls).	25	Work to recover, progress and improve.	High	Medium
HTR	New Housing System	Work relating to the controls in the new housing system (key control areas such as systems access controls, systems permissions/rules and implications for segregation of duties and authorisation, audit trail and security of data).	25	Work to recover, progress and improve.	High	High
SWR	New Social Work system	Work relating to the controls in the system (key control areas such as systems access controls, systems permissions/rules and implications for segregation of duties and authorisation, audit trail and security of data)	25	Work to recover, progress and improve.	High	High
CER	Overtime	Review of audit actions and analysis of overtime data.	30	Work to recover, progress and improve.	High	Medium
SWR	Self Directed Support (SDS)	Assessment of how new system is addressing actions from original SDS audit (systems elements).	15	Put people first and reduce inequality.	High	Medium
EDR	Home Education	Review of the process to assess home education requests (considering points from the Child Protection Committee Learning Review).	35	Put people first and reduce inequality.	High	Medium
SWR	Prioritised Risk and Needs Assessment form	Review of the new form in place to assess and prioritise risks/needs in relation to requests for equipment and adaptations.	35	Put people first and reduce inequality.	High	Medium

Lead Resource	Audit assignment	Outline Scope	Days	Council Priority	Top Risk ranking	Priority
Risk Management						
EDR	PEF Risk Indicators	Provide data / risk indicators to facilitate analysis in line with areas falling within the risk indicator categories.	30	Put people first and reduce inequality.	High	Medium
All	SLC contingency planning / resilience response	Obtain assurances that lessons learned are being considered after incidents (covid, community alarms) or when new legislation is introduced (such as Martyn's Law) and the councils contingency plans / arrangements updated accordingly.	25	Work to recover, progress and improve.	High	Medium
All	Sustainability	Provide ongoing assurance that plans are practically deliverable in the short, medium and long term and that in-year progress against targets is monitored and reported.	45	Work towards a sustainable future in sustainable places.	Very High	Medium
All	Risk Register	Annual review of fraud risk registers.	5	Work to recover, progress and improve.	High	Medium
Delivery of an internal audit service to external clients						
N/A	Audit Plan	Deliver internal audit service to External Clients.	142	N/A	N/A	N/A
		TOTAL DAYS	**1,287**			

Risk Assessment Criteria   Appendix 4

Materiality - value
- Systems that process significant income or expenditure.

Materiality - volume
- An estimate of the number of transactions processed by the systems / activities per annum.

Significance / profile
- The significance of the system / process to the activities of the Council.

Council's top risks
- Consideration of the Council's top risks and the controls that mitigate these risks (has IA reviewed the effectiveness of the controls recently / can IA add any value via review).

Change
- Recent changes to the system / process or the likelihood of change to the systems / process in the audit period planned.

Regulatory / contractual
- Extent to which the system / activity is subject to regulation or contractual obligation.

Other areas of assurance (assurance mappintg)
- The extent to which a service / activity is monitored or audited by an external body (may mean less priority for IA work unless external reviews are highlighting risks that would benefit from IA review).

Prior audits / audit knowledge
- Highlighting areas of risk based on IA team knowledge (via output from previous audits, team knowledge/awareness).

Inherent suseptibility to frau and corruption
- Areas where there is "opportunity" inherent within a system / activity for fraud and corruption to occur.

Staff tunover
- The turnover of staff, especially with key skills (new teams / areas with significant vacancies may bring risks via "opportunity for process not to be followed, controls to be overriden, such as appropriate authorisation or SOD).

Council priorities
- Consideration of the processes and systems that facilitate acheivement of the council's priorities.