

**PETERBOROUGH CITY COUNCIL
INTERNAL AUDIT PLAN 2022/23**

AUDIT ACTIVITIES Provision for Internal Audit and Anti-Fraud activities that are not subject to risk assessment.	
SERVICE / SYSTEM	AUDIT SCOPE
Annual Audit Planning and monitoring	Produce risk assessed annual plan and strategy, including reporting of the progress of the plan during the year. In accordance with PSIAS. Review of Internal Audit effectiveness, Internal Audit Charter, Internal Audit Ethics Policy. Development and monitoring of the Quality Assurance Improvement Plan.
Annual Audit Opinion	Produce report detailing work carried out and Head of Internal Audit Opinion of Governance, Risk and Control, in accordance with PSIAS.
Audit Committee Support	This includes a review of Audit Committee effectiveness, update of the Audit Committee Handbook, provision of training and attendance at meetings.
Annual Governance Statement	Review of senior management self-assessment assurance statements to feed into the AGS. Verification of (but not production of) final AGS.
Local Code of Corporate Governance	Review of compliance with this code.
Fraud activities	National Fraud Initiative – Review of data matches and submission of data. Investigations into alleged fraud or irregular activity, as required. Review of fraud policies, including Whistleblowing policy.
Working Groups/ Boards/Committees	Attendance at working group/board meetings (for example: Risk Management, Information Governance, Cyber Security, Project and Procurement boards) and council committees, including annual report of audit activity relating to external organisations to the Shareholder Committee. Reviewing emerging issues.
Carry Forward Provision	Provision for the completion of 2021 - 22 audits.
Follow Up Provision	Revisiting audits after 6 months to monitor the implementation of recommendations.
Contingency	Allowance for unplanned work, particularly considering changes to the risk, control and governance framework that may result from the Improvement plan.
Advice and Consultancy	Allowance exists for time spent on providing risk and control advice to officers, management and members, as well as ad hoc requests for consultancy work.
TOTAL AUDIT DAYS	
260	

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CERTIFICATION & VERIFICATION

Certification of grant claims in relation to funding received from government and other funding bodies, as well as other submissions we are required to make to government. These are not subject to risk assessment as they must be completed.

DESCRIPTION	DEPT	COMMENTS
Disabled Facilities	PEC	Non-ring-fenced capital funding towards Disabled Facilities grants that PCC can award to disabled clients for necessary housing alterations. Completion by July 2022.
Traffic Signals Maintenance	PEC	From CPCA. Completion by September 2022
Integrated Transport Block	PEC	A DfT scheme via the CPCA to help local authorities cut carbon emissions and create local growth. Completion by September 2022
Highways Maintenance	PEC	A DfT grant via CPCA for small transport improvement schemes costing less than £5 million, and for planning and managing the road networks. Completion by September 2022 (Needs Element, Incentive Element, Additional Incentive Element).
Pothole Action Fund	PEC	A capital funded DfT grant via the CPCA to support pothole repairs. Completion by September 2022
National Productivity Investment Fund	PEC	From DfT via CPCA to improve local road networks and public transport. Completion by September 2022
Supporting Families	ACE	Payment by results scheme. Requirement to audit 10% of the claims for every submission. Also, to review the council's Outcomes Plan, which documents how PCC will apply the scheme. Claims reviewed monthly.
Basic Needs Fund	ACE	From DfE. Annual grant to support the creation of school places. Completion by December 2022.
Contain Outbreak Management Fund (Covid)	PH	From DHSC. Covid related grant to support the management of covid outbreaks, including Test and Trace. Completion by Jun 2022.
Mayor's Charities	L&G	Independent examination of the Mayor's Charities' accounts, in line with the Charity Commission's requirements.
Business Support Grants (Covid)	Res	Payment Assurance activity, as required by DLUCH, in respect of all Covid business support schemes. Use of government fraud checking service, review payments made to determine error or fraud, submission of monitoring data and documents to evidence our work.

TOTAL AUDIT DAYS**100**

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Prioritised Audits for Review

The following audit areas have been subject to an assessment (of size, corporate importance, stability, vulnerability and specific concerns) and ranked accordingly. The assessment, and therefore the ranking, may change during the year as circumstances alter and new risks emerge. Audit reviews will be prioritised on the basis of this ranking, along with the number of audit days available, the knowledge and experience of staff and any timing requirements. The shaded areas represent audits that will not be possible with current resources.

SERVICE OR SYSTEM	SOURCE	DEPT	OUTLINE AUDIT SCOPE	PRIORITY
Financial Resilience	Corporate Risk	Res	Risk: Savings targets are not achieved / financial sustainability not realised. A review of the arrangements in place to ensure that savings targets are robust and that they are monitored.	H
Financial Operating Framework	Internal Audit	Res	Control advice during development of revised Financial Operating Framework, including Financial Regulations, Contract Standing orders, Contract management policy, Capital governance strategy.	H
Income Generation / Charging	Corporate Risk	ACE PEC	Risk: Income levels reduced following COVID. A review of processes that ensure accurate and complete billing and debt recovery in key service areas.	H
Cyber Security	Internal Audit	C&D	Follow-up of previous Limited Assurance audit report and review of project underway to implement enhancements following the National Cyber Security Centre survey into Malware and Ransomware. Communications team risk: corporate website fails or is attacked (green).	H
Payroll	Financial System	Res	Full system review. Previous audit work has reported on weaknesses in accuracy and completeness of data.	H
Decision Making	Internal Audit	L&G Res	A review of the governance structures for making and approving decisions, including delegated authority, compliance with the constitution, financial rules and the capital governance structure.	H
HR Management	Corporate Risk	Cex	Risk: Increase in staff absence and loss of staff. Review of actions to mitigate this risk including implementation of new workforce development strategy; management of staff wellbeing and use of the apprenticeship levy. Follow up of Absence management audit.	H
Procurement Spend Controls	Resources Risk	Res	Risk: Savings targets are not achieved / financial sustainability not realised. Review of new controls to reduce spend outside of contract and to ensure procurement controls are adhered to. Possible data analysis using audit analytics tool.	H
Covid 19 Public Inquiry	Mngt Request	All	Review of arrangements to ensure that data in respect of the Council's response to Covid 19 is retained appropriately and is available for a response to the public inquiry.	H

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Risk Management	Internal Audit	Res	Follow-up of previous Reasonable Assurance audit report and support to develop further enhancements to the strategy and operational aspects.	H
Safeguarding Arrangements	P&C Risk	ACE	Risk: Failure of the Council's arrangements for safeguarding vulnerable children and adults Review of mitigating activity outlined in the risk register, along with the safeguarding assurances in place. Liaise with CCC.	H
Integrated Transport System	Project	ACE	A review of project management of this new system shared with CCC, which covers school and Adult Social Care transport route planning, DBS checks of drivers, payments to suppliers and other local authorities.	H
Contract Tendering	Internal Audit	Res	Assessment of arrangements to secure best value in contracts.	H
OPUS Contract	Contract	Cex	A review of the management of the contract for agency staff. Contract value is £6.7m annually and £20m total contract value.	H
Levelling-up Fund	Internal Audit	PEC	Assurances that the £20m fund is being managed appropriately through our agreements with the CPCA, including joint ventures. Advice in relation to the required assurance framework. The fund is primarily being used for the University.	H
NNDR	Financial system	Res	Full systems review, to include application of reliefs and impact of Covid. (non-payment, eligibility for new and existing reliefs)	H
Spectrum Replacement	Project	Res	Advice on control framework during design/implementation of the cash management system. Due to complete Jun 22.	H
Property Asset Management	Resources Risk	Res	Risk: Quality of data and impact on financial accounts. A review of the property asset management system. Land transfer processes have also been highlighted as an area of concern.	H
Climate Change – Action Plan	Corporate Risk	PEC	Risk: actions not developed and budget uncertainty. Review of compliance with targets and actions. To be incorporated into audit reviews of relevant areas.	H

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Disaster Recovery	C&D Risk	C&D	Risk: DR plans are not tested A review of disaster recovery plans in place.	H
Information Governance	L&G Risk	L&G	Compliance with GDPR legislation. RISK: Lack of oversight and control of information management	H
PCI compliance	C&D Risk	C&D	Risk: council is not complying with PCI regulations. Compliance with Payment Card Industry requirements.	H
MyVlew - Expenses Module	Project	Cex	Control advice during implementation of expenses module - for online submission and approval of expenses.	H
Drug and Alcohol Treatment System Contract	Contract	PH	Review of Contract Management. Annual value £5.4m.	H
External Organisations	PEC Risk	PEC Res	Review of operation of new arrangements for governance of external companies as part of the Improvement Plan. RISK: failure of partnerships to deliver BAU.	H
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SERVICE OR SYSTEM	SOURCE	DEPT	OUTLINE AUDIT SCOPE	PRIORITY
Supplier Resilience	Corporate Risk	ACE	Risk: Impact of challenging financial position of key health partners. Supplier Resilience following Covid. Review of due diligence, supplier set up and processes in place to monitor supplier resilience. Liaise with CCC.	H
Home to School transport	P&C Risk	ACE	RISK: Increased demand for services, combined with financial pressures, will threaten the council's ability to deliver service within budget. Process to ensure transport is awarded in line with eligibility criteria. Area of high spend.	H
Healthy Child Programme	Contract	PH	Review of contract management. Joint contract with CCC and subject to s75 agreement. Annual value £12m.	H
Care and Repair Contract	Contract	PEC	Review of contract management or tender process. Annual cost £4m. Contract Value £16m.	H
Integrated Care System	P&C Risk	ACE	Risk: impact on the way our services work with NHS services. A review of data sharing arrangements as the new operating structure and IT system develops.	H
Direct Payments	Internal Audit	ACE	Arrangements for managing direct payments to ensure they are spent in line with care plans.	H
Aragon	Internal Audit	PEC	Review of Finance operations in this PCC subsidiary, including billing and charging arrangements.	H
Sundry Debtors	Internal Audit	Res	Review revised debt management process including CHC joint funding tool, and impact on outstanding debt with CCG.	H

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SERVICE OR SYSTEM	SOURCE	DEPT	OUTLINE AUDIT SCOPE	PRIORITY
Temporary Accommodation	Corporate Risk	PEC	Risk: of increased demand due to homelessness. Review of management of costs, including a variety of contracts.	H
Council Tax	Financial system	Res	Full systems review, to include application of reliefs and impact of Covid (non-payment, eligibility for new and existing reliefs)	H
Climate Change – Organisational resilience	Mgmt Request	PEC	Arrangements for dealing with the potential effects of climate change on the Council.	M
Academy to Cloud Project	Corporate Risk	C&D	Risk: GDPR issues impacting on delivery of project. Review of management of this project. Alternatives being looked at due to high data storage costs.	M
WRAP Food Waste project	Corporate Risk	PEC	Risk: Failure of Aragon in delivery of WRAP Food Waste Project. Review of project management. Funds received from WRAP for a food waste capture improvement project.	M
MRF contract	Mgmt Request	PEC	This Materials Recycling Facility is operated in partnership with other authorities at a total value of £3.5m. Management request to carry out an open book review of the income share arrangement.	M
Blue Badges	Internal Audit	PEC	Arrangements for ensuring Blue Badges are awarded to/used by those eligible to receive them. A new IT system or new contract is planned.	M
TOTAL AUDIT DAYS				200

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DEPARTMENTS	
Res	Corporate Resources
Cex	Chief Exec, including Human Resources
L&G	Law and Governance
C&D	Customer and Digital
BID	Business Improvement & Development
ACE	Adults, Children and Education
PEC	Place, Economy and Communities
PH	Public Health