



GEDLING BOROUGH COUNCIL

PROPOSED STRATEGIC AND ANNUAL OPERATIONAL INTERNAL AUDIT PLAN

Strategic	2020-2023
Annual Operational	2020-2021

INTERNAL AUDIT STRATEGIC PLAN 2020 - 2023

Risk based plan

Introduction

Our role as internal auditors is to provide independent, objective assurance designed to add value and improve your performance. Our approach, as set out in the Firm's Internal Audit Manual, is to help you accomplish your objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Our approach complies with best professional practice, in particular, Public Sector Internal Audit Standards.

Internal Audit at Gedling Borough Council

In producing the internal audit plan for 2020-23 we would seek to further clarify our initial understanding of the Council together with its risk profile in the context of:

- The overall strategy and objectives of the Council
- The key areas where management wish to monitor performance and the manner in which performance is measured
- The financial and non-financial measurements and indicators of such performance
- The key challenges facing the Council.

INTERNAL AUDIT STRATEGIC PLAN 2020 - 2023

Risk based plan

Background

Our risk based approach to Internal Audit uses the Council's own risk management process and risk register as a starting point for audit planning as this represents the Gedling Borough Council's own assessment of the risks to it achieving its strategic objectives. This is built upon by our understanding of the sector from other local authorities and other sectors.

The extent to which we can rely on management's own perception of risk largely depends on the maturity and effectiveness of the Council's own risk management arrangements. In estimating the amount of audit resource required to address the most significant risks, we have also sought to confirm that senior management's own assessment of risk accurately reflects Gedling Borough Council's current risk profile.

Planned approach to internal audit 2020/21

The indicative Internal Audit programme for 2020/21 is shown on the next page, with an indicative strategic plan for 2020/21 to 2022/23 shown on the pages subsequent to that. We met with the senior management from the finance team in order to bring together a full plan which will be presented at the March 2020 Audit Committee. We will keep the programme under continuous review during the year and will introduce to the plan any significant areas of risk identified by management during that period.

The plan is set within the context of a multi-year approach to internal audit planning, such that all areas of key risks would be looked at over a three year audit cycle. In setting the number of days in the plan we have assumed that the control environment within the Council will improve as we work with you to address the issues you have.

Individual audits

When we scope each review, we will reconsider our estimate for the number of days needed to achieve the objectives established for the work and to complete it to a satisfactory standard in light of the control environment identified within the Council. Where revisions are required we will obtain approval from the appropriate Executive Director prior to commencing fieldwork.

In determining the timing of our individual audits we will seek to agree a date which is convenient to the Council and which ensures availability of key management and staff.

Variations to the Plan

We review the three year strategic plan each year to ensure we remain aware of your ongoing risks and opportunities. Over the coming pages we have mapped your key risks along with the audit work we are undertaking, demonstrating we are focussing on your most important issues.

As such our strategic audit programme follows the risks identified during our planning processes and confirmed via discussions with the Executive Directors.

INTERNAL AUDIT PLAN 2020 - 2021

Risk based plan

This is an indicative plan and we will work with you to refine it. We have aligned our audit plan to the areas that matter to you.

Area	2020/21	Most Relevant Risk Reference	Focus Area	Indicative Date
1. Budget Management and Efficiency	15	1,2	Strategic Risk and Internal Control	Q3
2. Commercialisation	15	2	Value for money	Q2
3. Main Financial Systems inc. payroll	18	2	Internal Control	Q3
4. Council Tax/NNDR	12	2	Internal Control	Q3
5. Health and Safety inc. Events	12	3, 6, 8	Strategic Risk and Internal Control	Q4
6. Sickness Management	12	4	Internal Control	Q3
7. Digital Strategy	15	5, 10	Strategic Risk and Internal Control	Q2
8. Cyber Risk Review	15	5	Strategic Risk and Internal Control	Q1
9. Project Management inc. Capital Projects	12	6	Strategic Risk and Internal Control	Q2
10. Waste and Recycling	15	7	Strategic Risk and Internal Control	Q2
Management Time	7	All		Q1 - Q4
Follow-up	7	All		Q1 - Q4
Grand total	155			

INTERNAL AUDIT STRATEGIC PLAN 2020 - 2023

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Audit Area, Vision and Corporate Risk	Year 1	Year 2	Year 3	Description of Review	Value BDO will add
1. Budget Management and Efficiency High Performing Council and Vibrant Economy 1. Failure to prevent budget overheating once the budget has been set 2. Failure to maintain financial integrity	15			We will review the Council's budget monitoring protocols focussing on the efficiency programme and focus on whether discussions are happening at the right frequency, with the right people and with good discussion and clear actions set. Furthermore our sample testing will assess the approval of virement, how concerns are escalated and how these feed into the budget monitoring which is reported to management.	The Engagement Senior Manager and Senior will attend at least 5 budget monitoring meetings to listen into discussions and then hold open discussions afterwards to understand the effectiveness of the meeting. We will then facilitate a round-table discussion with Finance Budget Managers and Service Area Managers to discuss themes identified and generate agreed improvements moving forward. Therefore this review will go well beyond a desktop exercise.
2. Commercialisation High Performing Council and Vibrant Economy 2. Failure to maintain financial integrity	15			<ul style="list-style-type: none"> Assess the Council's overall approach to income generation for non-statutory services; how this is monitored beyond income targets in budgets and the level of analysis/assessment undertaken to understand the market and set accurate rates To review whether rates charges are supported by sound and robust data justifying the fees Review the Fees and Charges Schedule and also the business plans, focussing on tree teams and trade waste and garden waste to deep-dive into arrangements and whether these are managed/monitored effectively Benchmark certain activity to others to identify where the Council may have opportunities to reconsider their offering 	We will compare your Scale Fees and Charges (Charging Strategy) to other Councils. Most recently we have done this with a District Council and compared to all other Districts across the Hertfordshire region. This then rated each fee in terms of whether it was over/under/in-line and then practical suggestions on how changes could be made were set out. The Engagement Senior Manager ran a workshop to all Section 151 Officers across Hertfordshire on 16 March 2018 on Income Generation and Company arrangements. We jointly ran an event on Local Government Commercialisation in the Birmingham BDO Office with CIPFA Midlands in March 2018; we repeated this in February 2020.
Total	30	-	-		

INTERNAL AUDIT STRATEGIC PLAN 2020 - 2023

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Audit Area, Vision and Corporate Risk	Year 1	Year 2	Year 3	Description of Review	Value BDO will add
3. Main Financial Systems inc. payroll	18	18	15	Payroll: <ul style="list-style-type: none"> Assess the adequacy payroll policies and procedure guides in place - particularly around new starters and leavers Sample test employees to review whether they have been paid correctly based on the input information Review management reporting of payroll information 	<p>BDO have completed these standard reviews of main financial systems at several local authority clients. These form part of our standard internal audit plan so we could use our experience obtained from reviews at other local authority clients to share best practice.</p> <p>For the treasury management review we can incorporate data analytics into this process if your data/systems allow and we can share this with you to give comfort over key areas such as 'three-way match' on accounts payable or breach of scheme of delegation.</p>
High Performing Council				General ledger, accounts payable and receivable: This review will assess: <ul style="list-style-type: none"> Whether Schemes of Delegation have been followed Review access to system Assess documentation is completed and approved as expected i.e. purchase orders, invoice request forms, pay runs or monthly reconciliations 	
2. Failure to maintain financial integrity				Treasury Management: <ul style="list-style-type: none"> Treasury arrangements reviewed from Strategy to Member training or controls around how deals are reviewed/approved <p>Each year we will assess each of these areas and either cover all areas on a higher level or deep dive into particular financial areas.</p>	
Total	18	18	15		

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Audit Area, Vision and Corporate Risk	Year 1	Year 2	Year 3	Description of Review	Value BDO will add
4. Council Tax/NNDR	12			This review will assess: <ul style="list-style-type: none"> • Council tax and NNDR policies i.e. council tax reduction scheme in terms of its review and approval • VOA returns back to what is recorded on systems • The process to issue demands and whether discounts or values have been applied correctly • How amendments to demands are actioned and critically how they are followed up • Assess KPI reporting on this area and how action is implemented • Focus on collection of debt for council tax and NNDR in this review 	We have undertaken numerous such reviews at all local authorities we work with. We will assign an experienced member of staff who can map/compare your arrangements to drive the best practices to your control environment to suggest improvements.
High Performing Council and Strong and Dynamic Council					
2. Failure to maintain financial integrity					
Total	12	-	-		

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Audit Area, Vision and Corporate Risk	Year 1	Year 2	Year 3	Description of Review	Value BDO will add
5. Health and Safety inc. Events	12			<ul style="list-style-type: none"> Review Health and Safety Policies - how these were produced, what do they cover, were they approved and do staff understand them Assess training in this area and whether arrangements are effective Review how incidents are reported and then managed/escalated Assess how sites are maintained to ensure they are safe. This includes Council offices and Council housing properties Assess performance indicator information and reporting to management groups who assess this. We will review minutes and interview key stakeholders Understand and assess how the Council assess contractor risks in this area 	<p>Our auditor proposed, Pavan Mohan, has undertaken 3 reviews of health and safety in the last 6 months across the sector. As part of this she has worked with our wider BDO colleagues to compare arrangements to best practice and from the Institute of Safety and Health (IOSH) which is a BDO internal audit client.</p> <p>We would do the same with you and use the wealth of knowledge we have with highly experienced staff to assess your arrangements and drive improvements in your control environment.</p> <p>With regards to the mandatory training finding raised previously we would want to conduct data analytics on the mandatory training figures to assess the whole population. We also do not believe the report you received gets to the root cause - we will understand this as part of our follow-up to improve the control environment.</p>
High Performing Council and Strong and Dynamic Council					
3. Failure to protect staff, including health & safety issues					
6. Failure to protect & utilise physical assets					
8. Failure of contractors or partnership arrangements - contractual breaches					
Total	12	-	-		

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Audit Area, Vision and Corporate Risk	Year 1	Year 2	Year 3	Description of Review	Value BDO will add
7. Workforce Strategy and Agile Working Strategy			12	<ul style="list-style-type: none"> Assess how the Workforce Strategy is monitored and progress is reported Review whether actions against the Plan are clear and achievable Focus on particular Strategic Aims in the Strategy taking each point and identifying where sufficient progress has not been made what the root cause of this is. 	<p>We can compare your people Strategy to other Councils and identify any further actions which could enhance the Strategic Aims in place.</p> <p>The Engagement Senior Manager can also attend meetings where the Strategy has been discussed to agree Terms of Reference, report findings and facilitate a group discussion on the Strategy based on the outcome of the review.</p>
High Performing Council					
4. Failure to recruit and retain staff, and maintaining internal capacity					
8. Recruitment and Retention			12	<ul style="list-style-type: none"> Test 20 recent recruitment campaigns to identify whether protocols are followed and assess if they were successful - this will involve a root cause analysis for where things have worked well and not well To assess the monitoring, reporting and oversight of recruitment i.e. how management judge the success of the Council's overall processes and take action to continuously improve Review how particularly difficult areas to recruit into are managed and whether changes made are effective. 	<p>We will:</p> <ul style="list-style-type: none"> Map your recruitment processes to best practice Councils and identify efficiencies or better processes. We will include the recruitment map vs. best practice in our report Discuss innovative practices on difficult areas to recruit into with Hiring Managers and the Recruitment Team to see how these can be implemented i.e. recently we advised a Council on how to greater use social media and compared their e-platforms to others in terms of how the Council promotes itself.
High Performing Council					
4. Failure to recruit and retain staff, and maintaining internal capacity					
Total	-	-	24		

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Audit Area, Vision and Corporate Risk	Year 1	Year 2	Year 3	Description of Review	Value BDO will add
9. Sickness Management High Performing Council	12			<ul style="list-style-type: none"> Review your Sickness Management Policy - how these were produced, what do they cover, were they approved and do staff understand them Assess training in this area and whether arrangements are effective Review how sickness cases are reported and then managed/escalated - assessment of what managers do and how they record evidence of this to comply with the policy Assess performance indicator reporting and how the Council take action on this operationally and strategically 	<p>We have a huge wealth of experience in this area across the public sector. This includes best practices from within local government and the NHS who face particular challenges with sickness and have created unique ways to resolve these challenges.</p> <p>We would compare your arrangements and share best practices with you.</p>
4. Failure to recruit and retain staff, and maintaining internal capacity					
10. Cyber High Performing Council	15	15		<ul style="list-style-type: none"> Review overall approach to Cyber including how systems are identified and prioritised Review overall Security Policies, risk identification and management Assess connections and reliance on third-parties and how exposure is managed Review how staff are trained and supported as they are the gate keeper to cyber risks Assess technology and tools in place to identify and mitigate cyber risks Assess response management procedures. 	<p>As a firm we offer Cyber Training to Members where other Members/Non-Executives are given free training and support on the questions they should ask of their organisations - we will offer this to the Council also.</p>
5. Failure to properly utilise existing ICT, react to technology changes, and prevent data loss					
Total	27	15	-		

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Audit Area, Vision and Corporate Risk	Year 1	Year 2	Year 3	Description of Review	Value BDO will add
12. Digital Strategy High Performing Council 5. Failure to properly utilise existing ICT, react to technology changes, and prevent data loss 10. Failure to maintain service standards, customer satisfaction, and/or meet customer expectations	15			<u>Digital Strategy</u> <ul style="list-style-type: none"> Review the Digital Strategy and its effectiveness and approval We will engage with staff forums to assess the embeddedness of the digital first culture Assess the actions and the implementation of these from the Strategy We will review governance processes in this area and how effective this this We will also review minutes and management reporting and assess if this is complete, accurate and robust 	We have undertaken numerous such reviews most recently at Northampton Borough Council. As part of this we compared the Strategy in the appendix to other authorities to ensure that the Strategy in place was in line with peers which led to recommendations in our report. This review will be led by our proposed IT Audit Manager who is CISA qualified and highly experienced in such reviews.
Total	15	-	-		

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Audit Area, Vision and Corporate Risk	Year 1	Year 2	Year 3	Description of Review	Value BDO will add
13. GDPR and Information Governance High Performing Council 5. Failure to properly utilise existing ICT, react to technology changes, and prevent data loss 7. Failure to react to changes in legislation		12		We will assess whether your GDPR readiness arrangements are sound vs. the ICO requirements. There will then be a significant focus on how the Council ensure they are compliant which will include sample testing data from different parts of the Council to ensure it is now compliant. We will also assess the arrangements in place to ensure there is sufficient staff capacity to meet requirements, how reporting is effective and how lessons learned are shared to ensure good/poor practice is promoted/stamped out.	We will deploy our IT Audit Manager who is a specialist in this area having undertaken numerous GDPR readiness reviews supporting Councils around the country on their arrangements to be prepared. We know what good looks like and once the new arrangements are in place we will involve our specialist to assess your compliance and any key weaknesses and exposures and how these can be managed. Councils may struggle with new requirements and we will have immediate access to the national mood/position on this area and will regularly liaise with your staff to share knowledge.
14. Asset Management Plan and Property Review Vibrant Economy 5. Failure to properly utilise existing ICT, react to technology changes, and prevent data loss 6. Failure to protect & utilise physical assets		12		<ul style="list-style-type: none"> Review the Asset Management Plan - how this was produced, scrutinised and approved to ensure its effectiveness Review individual actions and their implementation from plan Interview key stakeholders involved in the process to get a deeper sense of what works well and could be improved in the process Includes review of Commercial Investment Strategy 	We have undertaken numerous such reviews whether looking at large asset management plans or investment property plans. One of our clients is London Borough of Southwark and whilst they are a unitary, they are in the top three asset owners across Councils in the UK. Our experience here and across our second tier authorities can bring best practice arrangements and comparison of your plan to others ensuring comparisons are relevant to your size/type of Council.
Total	-	24	-		

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Audit Area, Vision and Corporate Risk	Year 1	Year 2	Year 3	Description of Review	Value BDO will add
15. Project Management inc. Capital Projects	12			<p>We will deep-dive into the Council's project management arrangements from project initiation through to on-going monitoring, and reporting to ensure financial, reputational and time related risks are managed and reported effectively.</p> <p>We will assess a mixture of different projects at different parts of the project lifecycle and check adherence to the Council's project management procedures and best practice.</p>	<p>We will deploy a PRINCE2 qualified consultant to undertake this work. We have undertaken such reviews at many public sector organisations and are familiar with manual and system software which support the process.</p> <p>Our approach will compare your approach to PRINCE2 methodology and whether it is working in reality.</p>
High Performing Council					
6. Failure to protect & utilise physical assets					
16. Safeguarding			12	<p>Review to identify how the Council identifies all roles and activities which may have impact on safeguarding concerns. From here to assess the controls around training and re-training and different levels of training depending on the type needed.</p> <p>Assess governance arrangements, who attends and how decisions and actions are taken to ensure safeguarding is appropriate.</p> <p>Review relationship with section 11 forms and reporting to Adult and Childrens Safeguarding Boards i.e. representatives.</p>	<p>We have undertaken numerous such reviews and this has included supporting Councils to improve training compliance and deep diving into root causes of where non-compliance happens how it can improve.</p> <p>We work with all tiers of local government and parts of the NHS and therefore understand the importance of working with stakeholders.</p>
Cohesive Diverse and Safe Communities					
7. Failure to react to changes in legislation 13. Failure to react to social-economic trends					
Total	12	-	12		

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Audit Area, Vision and Corporate Risk	Year 1	Year 2	Year 3	Description of Review	Value BDO will add
17. Counter Fraud and Corruption Strategy High Performing Council 6. Failure to protect & utilise physical assets 7. Failure to react to changes in legislation			12	<ul style="list-style-type: none"> Review of the Strategy in place and challenging how this was formed Comparison to our understanding of the Council's activities and emerging risks we see across the public sector Interview key personnel in legal services, HR, procurement, contract management, IT and finance to understand the key fraud risks in place 	We have a specialist counter fraud team within BDO who are qualified counter fraud specialists. They will support this review and can deliver training to your teams as we did at Oxford City Council in 2018 free as part of the review.
18. Waste and Recycling Sustainable Environment 7. Failure to react to changes in legislation	15			<ul style="list-style-type: none"> Review reporting and governance around bin collection as a whole This includes assessing the validity of data collected Assess how bin rounds, staffing and weather challenges are managed and escalated as necessary Review customer satisfaction arrangements Understand and assess arrangements to pick up complaints and action these and also Member concerns picked up from residents/Surgeries they hold Focus on how future demand has been assessed and then how the Council has created plans and monitor them to meet these demands 	We will compare your arrangements to other Council's and identify differences whether practices may be more enhanced or stronger to drive value in the operations you have in place.
Total	15	-	12		

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Audit Area, Vision and Corporate Risk	Year 1	Year 2	Year 3	Description of Review	Value BDO will add
19. Environmental Health Services and Enforcement		12		<ul style="list-style-type: none"> Review of overall environmental services policies and procedures - are these up to date, accurate and robust and understood by staff Review samples of case studies across different environment services areas to ensure that they are complied with Assess governance and reporting information in the areas focussing on the breadth and depth of performance indicators to improve arrangements and whether action is being taking 	<p>We have undertaken numerous such reviews and would share best practices with you and compare your arrangements to others.</p>
High Performing Council and Sustainable Environment					
7. Failure to react to changes in legislation					
20. Licensing		12		<ul style="list-style-type: none"> Review of overall licensing policies and procedures - are these up to date, accurate and robust and understood by staff Review samples of case studies across different licensing areas i.e. taxi, gambling, adult establishments or houses of multiple occupation to ensure that they are complied with Assess governance and reporting information in the areas focussing on the breadth and depth of performance indicators to improve arrangements and whether action is being taking Review Member training and understanding of the risks in this area particularly around taxi licensing 	<p>We have undertaken numerous such reviews and would share best practices with you and compare your arrangements to others.</p> <p>On taxi licencing we have a significant amount of experience of assessing how local arrangements manage risks around child sexual exploitation and safeguarding/DBS and other arrangements are robust to mitigate risks.</p>
High Performing Council and Vibrant Economy					
7. Failure to react to changes in legislation					
Total	-	24	-		

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Audit Area, Vision and Corporate Risk	Year 1	Year 2	Year 3	Description of Review	Value BDO will add
21. Environment		12		<ul style="list-style-type: none"> Review of Council policies and overall strategies to set, approve and achieve environmental aims This will include interviewing key stakeholders and Members who may champion this area Compare your arrangements to other local authorities This will be an assessment of certain areas in a deeper dive way i.e. how you think about staff and supplier impacts on the environment and improve your arrangements to achieve a more environmentally friendly outcome in your area Assess your corporate reporting in this area and how this is owned, monitored and actioned Key focus of review will be how Council meets Carbon Reduction aims 	<p>We work with Oxford City Council who have declared a climate emergency and are undertaking a review in this area in 2019-20. We would share their arrangements with you to see where ideas they are pursuing could be brought into your authority to help improve your control environment where applicable.</p>
Sustainable Environment					
7. Failure to react to changes in legislation 12. Failure to react to an environmental incident or malicious act					
22. Housing Benefits		12		<ul style="list-style-type: none"> Assessment of benefit cases against evidence retained on systems Work closely with external audit and understanding any risks/concerns they may have raised in their review of your benefit claim Review your processes around staff capacity and capability and structure to reduce processing times Assess reporting information in this area and how local operational and senior strategic teams assess performance and whether information reporting is robust and effective to make improvements Includes Council Tax Reduction scheme assessment i.e. approval and compliance 	<p>We have worked closely with Councils who have had to return large amounts back to Government due to failures identified in their subsidy returns (c.£300k). As part of this with one Council we compared their arrangements to others across how they identify possible cases which may be non-compliant and be local authority error cases in the future and the controls they have in place. We can share this with you and see if there are any you can apply</p>
Cohesive Diverse and Safe Communities					
7. Failure to react to changes in legislation 13. Failure to react to social-economic trends					
Total	-	24	-		

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Audit Area, Vision and Corporate Risk	Year 1	Year 2	Year 3	Description of Review	Value BDO will add
23. Homelessness and Temporary Accommodation		12		<ul style="list-style-type: none"> Review of Homelessness Strategy 2015-2020 in terms of monitoring, reporting and escalation Select samples of homelessness cases and ensure they are processed in-line with protocols Focus on how the Council ensures new requirements around proactive engagement with people at risk of homelessness, particularly with those from vulnerable and disadvantaged groups happens and if it is effective Review the additional Officer time needed to comply with new procedures i.e. Actions on preventions and relief and if capacity/training is robust Review additional DCLG reporting and data validity 	<p>We have worked with Council's who have Gold Standards in this area who have particularly high numbers of homeless people present themselves. This includes those in City Council conurbations or those such as London Borough of Southwark who are the third largest Housing Provider in the country and have significant homeless people present themselves. Whilst all these processes may not be applicable, it is often in these Councils where early innovations and new practices start and we can share these with you.</p>
Cohesive Diverse and Safe Communities and Vibrant Economy					
7. Failure to react to changes in legislation					
13. Failure to react to social-economic trends					
24. Procurement and Contract Management		12		<ul style="list-style-type: none"> Review procurement exercises vs. protocols for compliance Review the Strategy vs. progress and reporting Review counter fraud controls in process for adequacy Review contract management meetings and interview key stakeholders Review contracts in place and whether they are approved and complied with Observe contract management meetings and assess if these are effective Review of process for entering into contracts to assess compliance with Contract Standing Orders and Financial Regulations 	<p>We can compare the Strategy to other Councils to identify other practices or enhanced practices to drive improvement. We have also deliver counter fraud training sessions on Procurement.</p>
High Performing Council					
8. Failure of contractors or partnership arrangements - contractual breaches					
Total	-	24	-		

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Audit Area, Vision and Corporate Risk	Year 1	Year 2	Year 3	Description of Review	Value BDO will add
25. Corporate Governance and Performance Management inc. complaints All 9. Inability to defend one-off challenges to a Council decision or new compensation trend emerges 11. Failure to prevent damage to the Council's reputation			18	Governance <ul style="list-style-type: none"> Review the Governance structure and ensure that this is operating reasonable against CIPFA Good Governance Code Assess the SIP Plans in place and if these are developed and managed effectively Review the process to identify performance measures and test the data which feeds into them Observe the meetings where performance is discussed and assess if this is effective Interview key personnel involved in the process Complaints <ul style="list-style-type: none"> Review Complaints Policies - how these were produced, what do they cover, were they approved and do staff understand them Assess training in this area and whether arrangements are effective Review how incidents are reported and then managed/escalated 	We have supported Councils in their presentation and reporting of performance information to make it as effective to support decision making i.e. is it summarising the most useful information in the right way at the right time? We will share this knowledge with you to support any enhancement in your processes.
26. Risk Management All 9. Inability to defend one-off challenges to a Council decision or new compensation trend emerges 11. Failure to prevent damage to the Council's reputation		12		<ul style="list-style-type: none"> Use our Risk Maturity Toolkit to advise where the Council sit in terms of risk management on a five-point scale from Naive to Enabled Assess how the Council system is used and if risks are engaged with well and updated effectively to manage and mitigate risks Interview key personnel involved in the process 	A member of our Team, Charlotte Thomas, has also supported the process of risk management at the London Borough of Southwark 1 day a week. This involved ensuring risk management connects across the Council and support the delivery of training. This significant experience will be brought to this review.
Total	-	12	18		

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Audit Area, Vision and Corporate Risk	Year 1	Year 2	Year 3	Description of Review	Value BDO will add
30. Planning and S106 inc. CIL			12	<ul style="list-style-type: none"> Select a sample of planning applications across minor, major and others to assess whether legislative and system protocols are adhered to Review the data behind reported information for accuracy and completeness and assess the effectiveness of the oversight/scrutiny of data Review steps taken to engage with Members and stakeholders in the process Review complaints/appeals processes for robustness This review will include reviewing CIL arrangements 	<p>The Engagement Manager attended the Aylesbury Vale District Council Development Management Committee, interviewed applicants, interviewed Lead Members and attended a Member training on planning to understand the service from all perspectives. Similar techniques including liaising with Parishes will be adopted here.</p> <p>We can also compare your pre-app fees to identify benchmarks.</p>
Vibrant Economy					
11. Failure to prevent damage to the Council's reputation					
Total	-	-	12		

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Audit Area, Vision and Corporate Risk	Year 1	Year 2	Year 3	Description of Review	Value BDO will add
31. Business Continuity and Emergency Planning			12	Review Council arrangements for the overall Business Continuity and Disaster Recovery Plan.	We have conducted numerous such reviews and will deploy our specialist, Chris Culbert.
High Performing Council				This includes how this Plan interacts with local service plans and whether there is adequate oversight that these all remain up-to-date, regularly assessed and/or tested via desktop scenarios or live testing.	Most recently this was performed at Oxford City Council which has led to significant re-focussing on this area and development of up-to-date Plans and testing supported by a strong follow-up and regular reporting to Committee to give assurance on progress.
12. Failure to react to an environmental incident or malicious act				A critical focus will be on where arrangements link to supplier system/arrangements and the strength of these.	
3. Failure to protect staff, including health and safety issues					
32. Gedling Health and Wellbeing			12	<ul style="list-style-type: none"> Review of the activities of the group but particularly the Council's contribution to this group Understand how the Council engages with the group and understands its role and monitors/takes action to ensure the overall objectives are met Review minutes/actions and interview stakeholders in and out of the Council to understand the effectiveness of Council input and how this could improve 	The Engagement Lead and Senior Manager work with Sport England very closely and therefore can engage with these partners. The whole team work on NHS clients and we have experience of assessing STPs and fully understand the challenges of the NHS and can again support the challenges faced with these partners and offering our strategic input.
Healthily Lifestyles					
13. Failure to react to socio-economic trends					
Total	-	-	24		

INTERNAL AUDIT STRATEGIC PLAN 2020 - 2023

Risk based plan

This is an indicative plan and we will work with you to refine it. We have aligned our audit plan to the areas that matter to you.

Audit Area, Vision and Corporate Risk	Year 1	Year 2	Year 3	Description of Review	Value BDO will add
33. Generating External Income			13	Review Council arrangements for how external sources of income via grants are identified, managed and successfully bid for.	We have performed reviews in this area for other District Councils and have ideas on income generation we can share with you
High Performing Council					
1. Failure to prevent budget overheating once the budget has been set 2. Failure to maintain financial integrity					
34. Building Control			12	Review arrangements for building control from policies and procedures, to how individual cases are recorded and documented to comply with rules and regulations. Also, to assess capacity and capability of the team including training/support to deliver their role.	We can benchmark you against other Councils
Vibrant Economy 11. Failure to prevent damage to the Council's reputation					
Total	-	-	25		

INTERNAL AUDIT STRATEGIC PLAN 2020 - 2023

Risk based plan

This is an indicative plan and we will work with you to refine it. We have aligned our audit plan to the areas that matter to you.

Area	Year 1	Year 2	Year 3	Value BDO will add
GRAND TOTAL AUDIT DAYS	141	141	142	
Management Time	7	6	5	We will have strong on-site presence with experience Management and a CIPFA-led Team.
Follow-Up	7	6	5	We will follow-up and report all Medium and High recommendations quarterly including those of the predecessor. We will have strong on-site presence and can use SharePoint to track findings. However, our experience is that our relationships with staff and on-site presence is the most effective tool to ensure effective follow-up and not systems.
GRAND TOTAL DAYS	155	153	152	We believe the current days per year are low for a Council of your size and based on benchmarking against similar Councils across the Midlands. We offer value by increasing the days at a competitive rate, with access to a leading provider with significant experience in the sector.

INTERNAL AUDIT STRATEGIC PLAN 2020 - 2023

Risk based plan

Here we have set out other reviews we considered as part of the Plan however, they have not been included. In line with best practice PSIAS it is recommended to do this - we have given reasons for exclusion. The Plan we have submitted is a Draft Plan and if appointed, we would go through as extensive a process as required typically holding discussions with senior management, attending relevant management meetings and speaking with the Chair of Audit Committee. As part of any revisions through this process the below list will act as a useful list for discussion to consider where reviews in the current Plan may be swapped for those below.

Area	Reason for exclusion
Mail Room	This has been completed in 2018-19 and received Substantial assurance therefore has been excluded. This will be followed-up by us so assurance of implementation of actions will still be obtained.
Gedling Country Park Visitor Centre	This has been completed in 2018-19 and received Substantial assurance therefore has been excluded. This will be followed-up by us so assurance of implementation of actions will still be obtained.
Grants	<p>We recognise you may require our support to undertake grant reviews such as disabled facilities grants returns. We also recognise that some County Council's do not require their districts to undertake an annual audit of disabled facilities grant and we have seen a trend in County Council requirements for such a review each year reducing. We do see that in 2019-20 you have received a review in this area resulting in 1 medium and 4 low findings and we would follow this up.</p> <p>If a review is needed then we would work with the plan and ensure that time for this can be included in the plan within the total days we have submitted.</p>

APPENDIX I

Internal Audit Charter - Role and Scope of Internal Audit

Purpose of this charter

This charter is a requirement of Public Sector Internal Audit Standards (PSIAS). The charter formally defines internal audit's mission, purpose, authority and responsibility. It establishes internal audit's position within Gedling Borough Council, and defines the scope of internal audit activities.

Final approval resides with the Audit Committee (through discussion with the Section 151 Officer), in practice the charter shall be reviewed and approved annually by management and by the Audit Committee on behalf of Executive Management.

We will agree with you an audit plan for a total number of days activity. Once agreed, we will turn this into a cash budget which we will work to, in order to ensure that you have certainty around the fees you will pay us.

Internal audit's mission

Internal audit's mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

Standards of internal audit practice

To fulfil its mission, internal audit will perform its work in accordance with PSIAS, which encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF): Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing.

Internal audit definition and role

Internal auditing 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.

Internal audit acts primarily to provide the Audit Committee and Section 151 Officer with information necessary for it to fulfil its own responsibilities and duties. The Section 151 Officers role is to ensure Council is compliant with the statutory requirements for internal audit as set out in the 1972 Local Government Act. Implicit in internal audit's role is that it supports

management to fulfil its own risk, control and compliance responsibilities. The range of work performed by internal audit is set out in PSIAS and not repeated here.

Internal audit's scope

The scope of internal audit activities includes all activities conducted by Gedling Borough Council. The Internal Audit Plan sets out those activities that have been identified as the subject of specific internal audit engagements.

The provision of assurance services is the primary role for internal audit in the UK public sector. This role requires the chief audit executive (Head of Internal Audit) to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control.

Assurance engagements involve the objective assessment of evidence to provide an independent opinion or conclusions regarding an entity, operation, function, process, system or other subject matter. The nature and scope of the assurance engagement are determined by internal audit.

Consulting engagements are advisory in nature and are generally performed at the specific request of management, with the aim of improving governance, risk management and control and contributing to the overall opinion. The nature and scope of consulting engagement are subject to agreement with management. When performing consulting services, internal audit should maintain objectivity and not assume management responsibility.

Effective internal audit

Our internal audit function is effective when:

- It achieves the purpose and responsibility included in the internal audit charter
- It conforms with the Standards
- Its individual members conform with the Code of Ethics and the Standards
- It considers trends and emerging issues that could impact the organisation.

The internal audit activity adds value to Gedling Borough Council (and its stakeholders) when it considers strategies, objectives and risks, strives to offer ways to enhance governance, risk management and control processes and objectively provides relevant assurance.

APPENDIX I

Internal Audit Charter - Independence and objectivity

Independence and internal audit's position within Gedling Borough Council

To provide for internal audit's independence, its personnel and external partners report to the Head of Internal Audit, who reports functionally to the Audit Committee. The Head of Internal Audit has free and full access to the Chair of the Audit Committee. The Head of Internal Audit reports administratively to the Head of Financial Services (Section 151 Officer) who provides day-to-day oversight and is charged with ensuring the Council is compliant with statutory requirements for the internal audit function.

The appointment or removal of the Head of Internal Audit will be performed in accordance with established procedures and subject to the approval of the Chair of the Audit Committee.

The internal audit service will have an impartial, unbiased attitude and will avoid conflicts of interest. The internal audit service is not ordinarily authorised to perform any operational duties for Gedling Borough Council.

In the event that internal audit undertakes non-audit activities, safeguards will be agreed to ensure that independence or objectivity of the internal audit activity are not impaired. This might include a separate partner review of the work or a different team undertaking the work. Approval of the arrangements for such engagements will be sought from the Section 151 Officer and Audit Committee prior to commencement.

In the event that internal audit provides assurance services where it had previously performed consulting services, an assessment will be undertaken to confirm that the nature of the consulting activity did not impair objectivity and safeguards will be put in place to manage individual objectivity when assigning resources to the engagement. Such safeguards will be communicated to the Section 151 Officer and Audit Committee.

Internal audit must be free from interference in determining the scope of internal auditing, performing work and communicating results. Should any interference take place, internal audit will disclose this to the Audit Committee to discuss the implications.

Internal audit's role in fraud, bribery and corruption

Management, not internal auditors are responsible for the prevention and detection of fraud, bribery and corruption. Auditors will, however, be alert in all their work to risks and exposures that could allow fraud or corruption as well as seeking to identify indications that fraud and corruption may have been occurring. Audit procedures alone, even when performed with due professional care, cannot guarantee that fraud and corruption will be detected. In the event that internal audit suspect a fraud, this will be referred to appropriate management in the first instance and then the audit committee.

Access to records and confidentiality

There are no limitations to internal audit's right of access to Gedling Borough Council officers, records, information, premises, or meetings which it considers necessary to fulfil its responsibilities.

When the auditors receive confidential information about your affairs it shall at all times be kept confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable. All information will be maintained in line with appropriate regulations, for example the General Data Protection Regulations 2018.

Coordination and reliance with other assurance providers

In co-ordinating activities internal audit may rely on the work of other assurance and consulting service providers.

A consistent approach is adopted for the basis of reliance and internal audit will consider the competency, objectivity, and due professional care of the assurance and consulting service providers. Due regard will be given to understanding of the scope, objectives and results of the work performed by other providers of assurance and consulting services.

Where reliance is placed upon the work of others, internal audit is still accountable and responsible for ensuring adequate support for conclusions and opinions reached by the internal audit activity.

APPENDIX I

Internal Audit Charter - Internal Audit Commitments

Internal audit's commitments to Gedling Borough Council

Internal audit commits to the following:

- working with management to improve risk management, controls and governance within the organisation
- performing work in accordance with PSIAS
- complying with the ethical requirements of PSIAS
- dealing in a professional manner with Gedling Borough Council staff, recognising their other commitments and pressures
- raising issues as they are identified, so there are no surprises and providing practical recommendations
- liaising with external audit and other regulators to maximise the assurance provided to Gedling Borough Council reporting honestly on performance against targets to the Section 151 Officer and Audit Committee.

Internal audit performance measures and indicators

The tables on the right contain some of the performance measures and indicators that are considered to have the most value in assessing the efficiency and effectiveness of internal audit.

The Audit Committee should approve the measures which will be reported to each meeting and / or annually as appropriate. In addition to those listed here we also report on additional measures as agreed with management and included in our Progress Report.

Quality assurance and improvement programme

As required by PSIAS an external assessment of the service will be performed at least every five years. BDO also has an internal quality assurance review process in place, which takes place annually. This is performed by a separate team independent to the internal audit team.

The results of internal and external assessments will be communicated to the Section 151 Officer and Audit Committee as part of the internal audit annual report, along with corrective action plans.

Table One: Performance measures for internal audit

Measure / Indicator
Audit Coverage Annual Audit Plan delivered in line with timetable Actual days are in accordance with Annual Audit Plan
Relationships and customer satisfaction Customer satisfaction reports - overall score at least 70% for surveys issued at the end of each audit Annual survey to Audit Committee to achieve score of at least 70%
Staffing and Training At least 60% input from qualified staff
Audit Reporting Issuance of draft report within 3 weeks of fieldwork 'closing' meeting Finalise internal audit report 1 week after management responses to report are received.
Audit Quality Positive result from any external review

APPENDIX I

Internal Audit Charter - Management & Staff Commitments

Management and staff commitments to Internal Audit

The management and staff of Gedling Borough Council commit to the following:

- providing unrestricted access to all of Gedling Borough Council's records, property, and personnel relevant to the performance of engagements
- responding to internal audit requests and reports within the agreed timeframe and in a professional manner
- implementing agreed recommendations within the agreed timeframe
- being open to internal audit about risks and issues within the organisation
- not requesting any service from internal audit that would impair its independence or objectivity
- providing honest and constructive feedback on the performance of internal audit

Management and staff performance measures and indicators

The following three indicators are considered good practice performance measures but we go beyond this and report on a suite of measures as included in each Audit Committee progress report.

Table Two: Performance measures for management and staff

Measure / Indicator
Response to Reports Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt
Implementation of recommendations Audit sponsor to implement all audit recommendations within the agreed timeframe
Co-operation with internal audit Internal audit to confirm to each meeting of the Audit Committee whether appropriate co-operation has been provided by management and staff

BDO contacts

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