

## APPENDIX 3: CDC Internal Audit Plan 2020/21

Summary level plan:

| Corporate Director / Area         | Audit  | Comments / Status as at 1 July 2020  |
|-----------------------------------|--|--|
| Finance                           | Support with due diligence tests on Small Business Grants and Discretionary Grants   | Ongoing – see main report (para 3.21) for detail of work completed by Internal Audit during quarter 1.                                     |
| Finance                           | Key Financial Systems Assurance  | Scope and timing to be agreed.   |
| Finance                           | Revenues and Benefits (including debtors)  | Scope and timing to be agreed.   |
| Finance                           | Implementation of new Finance System (design of internal controls / processes, including design of IT security controls) – started in June | Ongoing – initial work has commenced working with the project manager and lead Finance representative, advising on the design of controls. |
| ICT audit                         | Cyber Security   | Final Report   |
| HR                                | Payroll (including IT security controls)   | Scope and timing to be agreed.   |
| Housing                           | Disabled Facilities Grant Processes (in addition to grant certification)   | Scope and timing to be agreed.   |
| Finance (Housing - Hardship Fund) | Discretionary Housing Payments / Hardship Fund   | Scope and timing to be agreed.   |
| Accounts, Audit & Risk Committee  | Handover of monitoring of management action implementation   | Work started, information recently from previous Internal Audit provider.  |
| Account, Audit & Risk Committee   | Public Sector Internal Audit Standards – compliance  | Ongoing – Internal Audit Charter has been drafted and will be presented to the Accounts, Audit & Risk Committee for approval.              |
| Grant Certification               | Disabled Facilities Grant  | Planned for September 2020   |
| Grant Certification               | Homes England Grant  | Planned for September 2020   |

Detailed plan:

| Audit   | Scope  | Audit Needs Assessment – Priority | Link to Corporate Plan & Leadership Risk Register  |
|---|--|-----------------------------------|--|
| Covid-19 Small Business Grants / Discretionary Grants | <p>Internal Audit have provided support with the Covid-19 Small Business Grants process. Internal Audit have undertaken the spotlight checks (government due diligence tool) and investigated any requests that have failed the bank checks.</p> <p>Internal Audit are also providing support with the new process for providing Discretionary Grants.</p> | H                                 | -  |
| Finance – Key Financial Systems Assurance             | Subject to an initial assessment by Internal Audit of the current assurances over the key financial systems, walkthrough testing will be completed to test the effectiveness of the organisation's key financial controls. The detailed scope will be agreed with the Director of Finance.   | H                                 | <i>Corporate Plan: Rigorous financial management. Efficient and effective governance. Leadership Risk register: Corporate Governance &amp; Financial Resilience.</i>   |
| Finance – Revenues and Benefits                       | The detailed scope will be agreed with the Director of Finance and CSN Operations Director. The audit will provide assurance over the controls in place in relation to the processing of housing benefit, NNDR, council tax and council tax benefit. (including debtors processes).  | M                                 | <i>Corporate Plan: Rigorous financial management. Efficient and effective governance. Homelessness prevention. Support and safeguard vulnerable people. Leadership Risk register: Corporate Governance &amp; Financial Resilience.</i> |
| Finance – Implementation of New Finance System        | The Council will be implementing a new finance system from April 2021. Internal Audit will look to support this major programme by reviewing the   | H                                 | <i>Corporate Plan: Rigorous financial management. Efficient and effective Governance. Leadership Risk register: Corporate Governance &amp;</i>   |

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|  | <p>design of the future internal control framework, prior to go-live.</p> <p>Internal Audit will also provide IT audit assurance, reviewing the design of the system security controls.</p>   |   | <i>Financial Resilience.</i>  |
| ICT audit – Cyber Security   | <p>Cyber threats remain a key area of business risk, the audit will provide assurance that there are adequate and effective management and technical controls in place to protect against cyber-threats.</p>  | M | <i>Corporate Plan: Efficient and Effective Governance. Leadership Risk Register: Business Continuity, Cyber Security.</i>   |
| HR – Payroll   | <p>The Council have implemented a new HR / Payroll system from April 2020. The audit will provide assurance that that payments are accurate, timely and only paid to legitimate employees. Internal Audit will also provide IT audit assurance on the new system.</p>   | H | <i>Corporate Plan: Rigorous financial management. Efficient and effective governance. Leadership Risk register: Corporate Governance &amp; Financial Resilience.</i>  |
| Housing – Disabled Facilities Grant Processes  | <p>The Disabled Facilities Grant (DFG) provides the Council with funding to support the provision of adaptations to disabled person’s homes. The audit will provide assurance on the robustness of the policies and procedures in place from the management of applications through to the provision of approved adaptations. <i>(this is in addition to the grant certification work required on DFG – see below)</i></p>  | M | <i>Corporate Plan: Support and safeguard vulnerable people. Rigorous financial management. Efficient and effective governance. Leadership Risk register: Corporate Governance &amp; Financial Resilience.</i> |
| Finance (Housing for Hardship Fund) – Discretionary Housing Payments / Hardship Fund | <p>Discretionary Housing Payments (DHP) are additional payments to people who are in receipt of Housing Benefit or the housing element of Universal Credit to help with their housing costs. Payments are made where the council believes that someone is in extra financial need with their housing costs. The council receives an annual allocation from the Government and sets a maximum which can be spent. The audit will provide assurance over the accuracy and processing of the applications. It will also consider the</p> | M | <i>Corporate Plan: Support and safeguard vulnerable people. Rigorous financial management. Efficient and effective governance. Leadership Risk register: Corporate Governance &amp; Financial Resilience.</i> |

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|  | controls and processes in place relating to payments made from the Hardship Fund.   |           |   |
| Handover of monitoring of management action implementation | A number of actions will be handed over from the provider of internal audit services for 17/18 – 19/20. These actions will be reviewed and loaded onto the Internal Audit follow up system. Implementation of these actions will be monitored and follow up testing undertaken where appropriate.               | -         | -   |
| Public Sector Internal Audit Standards – compliance        | A self-assessment will be undertaken by the Chief Internal Auditor to identify any gaps in compliance with the Public Sector Internal Audit Standards (PSIAS). Action will be taken to address any areas of non-compliance identified (for example the production and agreement of the Internal Audit Charter). | -         | -   |
| Grant certification: Disabled Facilities Grant             | Requires Chief Internal Auditor sign off  | Mandatory | <i>Chief Internal Auditor sign off – requirement of grant claim conditions.</i> |
| Grant certification: Homes England                         | Requires Chief Internal Auditor sign off  | Mandatory | <i>Chief Internal Auditor sign off – requirement of grant claim conditions.</i> |