



Rochford District  
Council

<b>REPORT TITLE:</b>	Audit Plan 2024-25
<b>REPORT OF:</b>	Audit & Counter Fraud Manager

### REPORT SUMMARY

This report presents the Internal Audit Plan for 2024/25 at **Appendix A** for approval by the Committee. The Internal Audit Plan 2024/25 builds on the previous year's work and is based on an update of the risks facing the council in tandem with its corporate plan priorities, formulated into a plan of work.

The Internal Audit Service for Rochford District Council (RDC) is provided as part of a Shared Internal Audit Service with Basildon Borough Council (BBC), providing the opportunity to deliver a more resilient and responsive service across the two authorities. The Audit Charter for the Shared Internal Audit Service was presented to this Committee in March 2023, no further changes are required at this time.

### RECOMMENDATIONS

- (1) That the Audit Committee endorses the Internal Audit Plan 2024/25 as set out in Enclosure No1.

---

**SUPPORTING INFORMATION****1 REASONS FOR RECOMMENDATIONS**

- 1.1 The Public Sector Internal Auditing Standards (PSIAS) require the Chief Audit Executive (CAE) to prepare an annual audit plan that takes into account the requirement to produce an annual internal audit opinion. In providing an overall annual opinion, internal audit plans must strike a balance between breadth, taking a broad look at governance and risk management and depth, drilling down into specific areas where internal audit can provide valuable insight.
- 1.2 The PSIAS also require the Audit Committee to approve, but not direct, the audit plan. This means the Committee can and should challenge whether the plan is sufficient and adequately focused; particularly given the plan's purpose to provide the Committee, as part of those charged with governance, with a key source of assurance to be considered when it decides whether to recommend the Annual Governance Statement for signing by the Chief Executive and Leader of the Council.

**2 OTHER OPTIONS CONSIDERED**

- 2.1 None.

**3 BACKGROUND INFORMATION**

- 3.1 The Audit Plan is structured in relation to the Council's key issues, obligations, outcomes, objectives, critical business processes and strategic risks. This approach ensures coverage of both strategic and key operational issues.
- 3.2 In order to retain flexibility in the internal audit plan and to ensure Internal Audit has the ability to respond to any changes in environment at the Council, further planning discussions will be held with senior managers prior to September 2024. These discussions will allow Internal Audit and Senior Managers to undertake a further risk assessment on the planned projects during the final two quarters of the year, as well as discussing any changes in risk exposure, emerging or new areas of risk, or project work and any amendments to governance arrangements.
- 3.3 Any significant internal audit plan changes agreed between management and Internal Audit will be brought before this Committee for noting through the usual plan update reporting cycle.
- 3.4 The audit plan for 2024/25 contains a high-level proposed outline scope for each audit. Specific audit engagements are identified on the basis of:
- data obtained from risk registers;

- the Council's priorities (to ensure that audit work is attuned to the overall organisational objectives and required outcomes);
- horizon scanning (e.g., changes to / new legislation); and
- information taken from other assurance processes within, and external to, the Council.

3.5 The growing list of risks faced by the Council poses challenges to ensure audit resources are utilised in the most efficient way. The challenge is to adapt quickly and efficiently based on the best information available at the time and this is where the planning process in place meets that challenge.

*Follow-ups*

3.6 To ensure agreed actions from audit work carried out are being implemented by the officers responsible, follow-up audit work will be carried out on all actions agreed as a result of internal audit work undertaken.

*Advice & Consultancy Engagements*

3.7 Where appropriate, audit resources will also be utilised in a governance role in assisting/advising on the control frameworks for corporate programmes and new business processes. Involvement at the development stage will enable Internal Audit to provide an informed opinion on the adequacy of the controls designed as assurance to the various project boards prior to the processes being signed off for live implementation.

*Reporting to the Audit Committee*

3.8 In addition to the year-end report there will be progress reports presented to the Committee. These will provide Members with information about internal audit work outcomes. Any significant issues that may jeopardise the delivery of audit work will be identified and addressed and reported to the Audit Committee.

## **4 FINANCIAL IMPLICATIONS**

4.1 None arising specifically from this report.

## **5 LEGAL IMPLICATIONS**

5.1 The Accounts and Audit Regulations 2015 (section 5) require the Council to undertake an effective programme of internal auditing to evaluate the effectiveness of its risk management, control, and governance processes, taking into account relevant Public Sector Internal Auditing Standards (PSIAS) or guidance.

**6 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 With the formal delegation of its internal audit service to Basildon Council from 1st July 2022 Rochford Council's audit team were TUPEd over to Basildon. A pool of audit resource derived from combining the two audit teams now delivers the respective audit plans, for Rochford and Basildon, based on an agreed number of chargeable audit days. In addition, we are able to call on a third party to deliver audit days as required.

**7 RELEVANT RISKS**

- 7.1 Failure to operate a robust assurance process (which includes the internal audit function) increases the risk that weaknesses in the Council's risk management, governance and control arrangements are not identified and effective remedial action agreed and implemented.

**8 ENGAGEMENT/CONSULTATION**

- 8.1 None.

**9 EQUALITY IMPLICATIONS**

- 9.1 None

**10 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 None

<b>REPORT AUTHOR:</b>	<b>Name:</b>	<b>Mike Porter</b>
	<b>Title:</b>	<b>Audit &amp; Counter Fraud Manager</b>
	<b>Phone:</b>	<b>01268 207969</b>
	<b>Email:</b>	<b>mike.porter@basildon.gov.uk</b>

## Appendix A

## Internal Audit Plan 2024/25

Activity to be audited	Objective of work	Audit Priority	Corporate Objective
<b><i>Strategic Risk 1: We fail to deliver the objectives of the Council's Business Plan in terms of measurable outcomes</i></b>			<b>Being Financially Sustainable</b>
Performance Management	To assess the arrangements for measuring and reporting performance and development of measures against which progress of the Business Plan can be assessed.	1	
<b><i>Strategic Risk 2: There is a failure to ensure the safeguarding of our children and adults in the district</i></b>			<b>Early Intervention</b>
None Planned for 2024/25	Safeguarding was reviewed in 2020/21 – Assessed as Good		
<b><i>Strategic Risk 3: There is a serious Food, Environmental or other incident for which the Council is culpable/liable</i></b>			<b>Early Intervention</b>
Ready to Rent Scheme	Failure to ensure that private rental properties used to accommodate tenants through the Ready to Rent Scheme are safe and secure may result in tenants being placed at risk which may impact on their health and wellbeing. This may lead to potential reputational damage for the Council.	1	
<b><i>Strategic Risk 4: There is a serious Health and Safety incident for which the Council is culpable/liable</i></b>			<b>Early Intervention</b>
None Planned for 2024/25	Health & Safety was reviewed in 2021/22 – Assessed as Adequate		

<b>Strategic Risk 5: We fail to respond to, or provide, relevant services in the event of an incident or disaster</b>			<b>Early Intervention</b>
None Planned for 2024/25	Emergency Planning / Business Continuity was reviewed in 2021/22 – Assessed as Adequate		
<b>Strategic Risk 6: Council held data is lost, disclosed, or misused to detriment of individuals or organisations as result of inadequate protection</b>			<b>Early Intervention</b>
Investigation of critical information breaches	Independent investigation by Internal Audit in the event of a critical information security breach.	1	
<b>Strategic Risk 7: Failure to engage with stakeholders to understand and communicate what the Council should be trying to achieve</b>			<b>Enable Communities</b>
None Planned for 2024/25	Engagement with Residents was reviewed in 2021/22 – assessed as 'Adequate'		
<b>Strategic Risk 8: We fail to innovate and develop new ways of meeting customer needs and expectations</b>			<b>Being Financially Sustainable</b>
None planned for 2024/25			
<b>Strategic Risk 9: Failure to ensure financial sustainability for the Council. This includes the requirement to set a balanced budget and Medium Term Financial Strategy (MTFS) to allow for the successful delivery of the Council's priorities as set out in its Business Plan, ensuring robust financial controls are in place to keep the budget on track in-year, and delivery of the Council's Capital Programme.</b>			<b>Being Financially Sustainable</b>
Fees & Charges	Examination of how fees and charges strategy is being implemented in the wake of Covid and current Cost of Living crisis; extent to which income generation has been affected.	2	10
Debt Management	To review and assess the adequacy of the Council's debt management arrangements, compliance with the Policy and effectiveness of the Policy.	1	15

<b>Corporate Risk 10: Inability to recruit, retain, develop, and manage appropriately skilled staff to deliver the Council's priority outcomes</b>			<b>Maximise Our Assets</b>
None Planned for 2024/25	Staff Recruitment & Retention was reviewed in 2023/24 – assessed as 'Adequate'	1	
<b>Corporate risk 12: The Council could fail to provide consistent Value for Money (VFM) across its existing services or when procuring new services</b>			<b>Being Financially Sustainable</b>
None Planned for 2024/25	Health-check review of Vehicle Fleet Management was conducted in 2022/23		
<b>Corporate risk 13: Failure to ensure good governance of the Council's activities and delivery of priorities</b>			<b>Being Financially Sustainable</b>
Planning Enforcement	To ensure that any unauthorised developments and / or breaches of planning laws are identified and monitored with appropriate action taken.	1	
Member Enquiries	To provide an opinion on the effectiveness of the controls in place; ensuring that Member enquiries are recorded and responded to effectively, accurately and on a timely basis.	1	
Scheme of Delegation	Review the council's Scheme of Delegation. Assess whether the scheme of delegation is up to date, limits are appropriate, embedded into workflows and systems. The scheme of delegation is communicated to all staff appropriately. Assess whether the council updates and informs all relevant staff accordingly.	1	
Policy Framework	To ensure the council has an effective and robust policy and strategy framework in place.	1	
Overtime and expense payments	Review of compliance with controls established to ensure that overtime and expense payments are made in line with the council's Pay Policy and	2	

	Overtime guidance. Will focus on a high-level review of a sample of areas with high overtime and expenses volumes /values.		
Housing Benefit Subsidy	Review benefit cases selected by the external auditor to feed into the external audit grants certification work and report to the Department for Work & Pensions.	1	
<b>Corporate Risk 14: Rochford's ICT Estate does not fully support the achievement of the Business Objectives</b>			<b>Maximise Our Assets</b>
None planned for 2024/25	Review of IT Infrastructure carried out in 2023/24 – assessed as 'Limited'		
<b>Corporate Risk 15: The Council fails to ensure compliance with the General Data Protection Regulations (GDPR) and is unable to demonstrate consistent application of information standards, controls, and statutory compliance</b>			<b>Maximise Our Assets</b>
See Reserve List			
<b>Strategic Risk 16: The partnership between Rochford District Council and Brentwood Borough Council fails to bring about the project benefits</b>			<b>Being Financially Sustainable</b>
None planned for 2024/25	Report by Director of Policy and Delivery, considered by Overview & Scrutiny Committee 1 <sup>st</sup> February 2024.		
<b>Corporate Risk 17: The Asset Delivery Programme partnership fails to bring about the project benefits.</b>			<b>Being Financially Sustainable</b>
Asset Management Strategy	To review the council's arrangements for managing its assets; examination of how the council strategically plans the use of its assets, how it monitors the use of its assets and how it reviews and evaluates the effectiveness of its arrangements.	1	



<b>Strategic Risk 18: There is a threat of loss of data or access to network due to cyber attack that may result in digital disruption with a loss of productivity and service provision to residents</b>			<b>Maximise Our Assets</b>
None planned for 2024/25	Cyber security review undertaken in 2022/23 - assessed as 'Adequate'		
<b>Other audit activity chargeable to the audit plan</b>			
Audit Management	To undertake required management activity including quality assurance and continuous improvement processes. To review and, where necessary, update the Audit Charter and Strategy.		
Audit planning	To develop the 2025/26 audit plan		
Following up recommendations	Where not included in Plan above, we will follow up High and Moderate recommendations to assess whether recommendations have been effectively implemented		
Reporting to Audit Committee	To prepare and present the required reports to Audit Committee throughout 2024/25		
Investigations	To carry out investigations in conjunction with Human Resources as directed by the Leadership Team.		

**Reserve List:**

The reserve list represents other review areas that have been considered, but for which there is not available audit days to undertake.

CCTV	Review of procedures and processes for the lawful capture of recordings for transference to Police etc.		
------	---	--	--