

Internal Audit  
Draft Audit Plan & Charter 2024/25



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In the event of any questions arising from this report please contact Andrew Wood, Audit Manager [andrew-wood@tamworth.gov.uk](mailto:andrew-wood@tamworth.gov.uk)

The matters raised in this report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. This report was produced solely for the use and benefit of Tamworth Borough Council. The Council accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification.

## 01 Introduction

### Background

This report sets out the Internal Audit operational plan for Tamworth Borough Council (TBC) for endorsement by the Audit & Governance Committee. The purpose of this plan is to identify the work required to achieve a reasonable level of assurance to be provided by Internal Audit in compliance with the Code of Practice for Internal Audit.

The fundamental role of Internal Audit is to provide senior management and the Audit Committee with independent assurance on the adequacy, effectiveness and efficiency of the system of internal control, and to report major weaknesses together with recommendations for improvement. This role is fulfilled by carrying out appropriate audit work in accordance with an annual operational plan as endorsed by the Audit Committee.

### 02 Audit Planning

As part of the planning for 2024/25, the proposed plan of work has been developed based on:

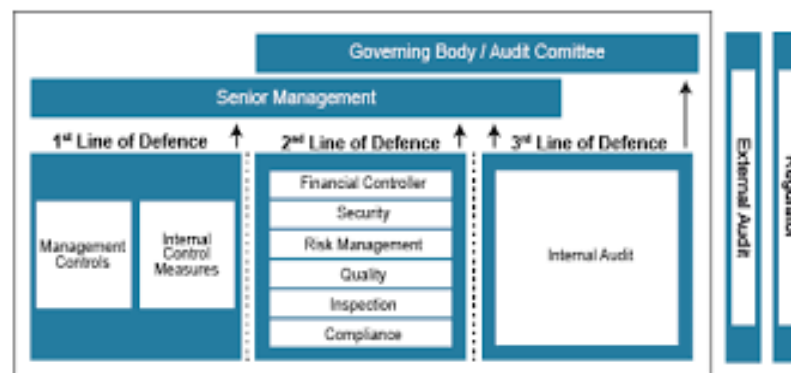
- **Key risks** – the plan for 2024/25 is based on an analysis of strategic and operational risks; strategic objectives; internal control and governance processes and other factors which may affect the year ahead, including any changes within the external environment and the sector.
- **Reference to previous assurance work** – a review of the outcome of previous audit and assurance work undertaken and where assurance is now required again.
- **Level of resources** – in 2020/21 a benchmarking exercise was undertaken to compare the level of audit resources with similar council's. Audit days were reduced from 318 days (2019/20) to 256 days

(2020/21), 260 days (2021/22 & 2022/23) and 240 days (2023/24) to be competitive with peers. It is proposed to increase the number of days slightly to 250 days during 2024/2025. The Council's risk profile has not changed year this year, is not unusual (a reasonable assurance opinion has been given for the last 3 years) and the level of fraud risk has remained low. For these reasons the 2024/25 draft plan resources have not materially changed.

- **Agile approach** – our approach will be one where we will respond to the changing assurance need, by having a level of contingency, we will be able to change the focus of the audits / audit delivery.

The draft plan was agreed with the Chief Executive and circulated to Corporate Management Team (which include the Section 151 Officer) on 28<sup>th</sup> February 2024 and their comments and observations have been included and reflected in the final draft plan.

Our strategy is based upon a three lines of defence model of assurance:



Internal Audit seeks to identify assurances provided through the first and second lines of defence and selects the most appropriate method for obtaining assurance to support the

Head of Internal Audit's opinion and the Council's governance requirements.

### **03 Internal Audit Plan**

The detailed audit plan at **Appendix 1** sets out the assurance requirement in terms of core financial systems; strategic and operational risk; ICT; governance, fraud and other assurance. The draft plan is for a total of 250 days and in particular seeks to provide assurance over areas of higher risk.

### **04 Joint Working**

The joint working arrangement with Lichfield District Council was renewed for a further two years from 1<sup>st</sup> October 2023 and allow for the sharing of resources. Despite ongoing recruitment issues, we have procured both IT Auditor and General Auditor Services and these have been extended as from 1 April 2024 for a further year. The arrangement has been largely successful in terms of customer feedback and performance against KPI's (reported to Audit & Governance Committee in audit's routine performance reports).

During 2023/2024, as part of continued compliance with Public Sector Internal Audit Standards, we completed the findings/Action Plan arising from the external quality assessment. No further actions are required for 2024/25.

### **05 Charter**

The Audit Charter is at **Appendix 2**.

**Appendix 01: Detailed Audit Plan 2024/25**

Assurance Requirement	Audit	Scope	Risk	Planned Days	Total Days	Proposed Quarter
Core Financial Systems	Main Accounting & Budgetary Control	Risk based review covering the adequacy and effectiveness of controls around the maintenance of main accounting and budgetary control systems.	CR1, CR6	10	50	Q3
	Debtors	Risk based review of Debtors systems to ensure controls in place for the adherence to procurement legislative requirements.	CR1, CR6	10		Q2
	Bank Reconciliation and Cash Collection	Risk based review across the authority for all cash collection areas to ensure that robust arrangements are in place for the collection and reconciliation of cash.	CR1, CR6	20		Q3
	Reactive Repairs	Risk based review of the Reactive Repairs systems to ensure robust arrangement in place for the allocation and management repairs.	CR1, CR4	10		Q4
Strategic & Operational Risks	Customer Services	Risk based review of the council's arrangements for interactions with members of the public.	CR6	5	65	Q1
	CCTV	Risk based review of the council's arrangements for CCTV and shared service and controls around ASB and commissioner standards in conjunction with WMCA.	CR3, CR4, CR6	5		Q1
	Food Safety	Risk based review of the council's management arrangements for food safety across the Borough.	CR3, CR4, CR5	5		Q2
	Tourism, Town Centre and Shared Prosperity Fund	Risk based review of Tourism and Town Centre promotion. Additionally review the arrangements for the Shared Prosperity Fund and confirm outputs and deliverables are being achieved.	CR3, CR5	5		Q3
	PR & Comms	Risk based review looking at the Council's arrangements for PR and Communications.	CR3, CR4, CR5	5		Q2
	Scheme of Delegations	Risk based review of the Council's controls around the operation of the scheme of delegations to ensure all legislative	CR1, CR2, CR3,	10		Q4

Assurance Requirement	Audit	Scope	Risk	Planned Days	Total Days	Proposed Quarter
		requirements are met and being consistently applied.	CR4, CR5, CR6			
	VAT	Risk based review to ensure that all VAT is correctly recorded and reported.	CR1, CR3	5		Q4
	Performance Management	Risk based review to ensure that performance management system is providing a consistent approach is maintained.	CR1, CR2	10		Q1
	Social Housing Regulatory Programme	Risk based review looking at key aspects of the council's Social Housing Regulatory Programme to ensure delivery.	CR3, CR4, CR5	5		Q2
	Events Management	Risk based review looking at Events Management across the Borough	CR1, CR4, CR5	10		Q3
ICT	Orchard Application	ICT review of the Orchard Application	CR2, CR3	10	20	Q1-Q4
	To be determined following completion of Audit Needs Assessment		CR2, CR3	10		TBA
Governance, Fraud & Other Assurance	Disabled Facilities Grant	Assurance statement and embedded processes		5		Q3
	Municipal Charities	Preparation of municipal charities accounts		2		Q3
	Counter Fraud	Work to support the mitigation of fraud risk, the provision of fraud awareness training, pro-active fraud exercises and reactive investigations.		10		Q1-Q4
	Risk Management	Review of Council's Risk Management processes		10		Q1-Q4
	Annual Governance Statement	Production of the AGS.		13	115	Q1-Q2
	Annual Audit Opinion	Production of the Annual Audit Opinion		3		Q1-Q2
	Follow Up of Recommendations	To follow up all no and limited assurance reports and all high priority recommendations.		20		Q1-Q4
	Management and Planning	Management, planning and assurance reporting to CMT and Audit & Governance Committee		30		Q1-Q4
	Ad hoc / Contingency / Consultancy	Contingency allocation to be utilised upon agreement of the Chief Finance Officer		22		Q1-Q4
<b>Total</b>					<b>250</b>	



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