



**Nottingham**  
**City Council**

# Nottingham City Council 2024/25 Internal Audit Plan

Draft

## THE OBJECTIVE OF INTERNAL AUDIT AND INTENT OF THIS PAPER

The Accounts and Audit Regulations s5 (1) require all local authorities to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'. The Public Sector Internal Audit Standards (PSIAS) sets out expectations for how organisations support, manage and perform internal audit. They define Internal Auditing as 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."

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively. The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives. The aim of internal audit's work programme is to provide independent and objective assurance to management, in relation to the business activities; systems or processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and
- risk to the achievement of the Council's objectives is identified, assessed and managed to a defined acceptable level.

The PSIAS set out the standards for internal audit and have been adopted by the Council's Internal Audit Service. PSIAS includes the need for risk-based plans to be developed for internal audit and for senior management and the Board to review and approve them.

The purpose of this paper is to present the draft Internal Audit Plan for approval by the Audit Committee.

## DEVELOPING THE PLAN

The PSIAS Standards require that the Head of Internal Audit (HIA) must 'establish risk-based plans to determine the priorities of the internal audit (IA) service, consistent with your organisation's goals'. The plan for 2024/25 has been developed in a time of significant challenge and change as the Council continues to respond and act upon the Improvement Plan resulting from the Commissioner led intervention in early 2024. The plan reflects the current service development priorities and for 2024/25 these include increased continued emphasis on management accountability, organisational change and risk management.

In preparing the plan, the input of senior stakeholders and sources of information have been considered including the:

- **Strategic Council Plan and NCC Improvement Plan:** Consideration of upcoming challenges and priorities for the Council in reshaping the organisation and redesigning service delivery, whilst ensuring statutory duties are met in an effective and efficient manner.
- **Corporate risk register:** Reviewing the strategic risks and organisational risk profile to understand the management over key risks to the organisation, assess effectiveness of planned mitigations and considering this in the scoping of audit work.
- **Discussion with senior management:** Interviewing key stakeholders and understanding their views on risks, their strategic goals, any potential changes to the business, and how IA may add value.
- **Horizon scanning of risks and issues:** Considering new risks that may present additional vulnerabilities to the Council and/or risks and trends that are relevant across Local Authorities.
- **Previous internal audit work:** Consideration of prior internal audit findings.

## **DELIVERY OF THE PLAN**

We have taken a proportionate, prioritised and pragmatic approach in developing the 2024/25 Internal Audit Plan, factoring the current inhouse resources.

Given the limited capacity of IA team and the time available from approval of the IA plan until end of financial year, our focus would be to prioritise delivery of 11 audits listed under Option 1.

Depending on availability of additional resources and access to suitably qualified complementary resources we will seek to deliver three additional audits that are listed as Option 2.

We will continue to monitor delivery of the plan and provide progress update to the Audit Committee and other relevant governing groups.

## **CONFLICTS OF INTEREST**

As the HIA, I am not aware of any relationships that may affect the independence and objectivity of my team, and which are required to be disclosed under Internal Auditing standards. Conflicts are managed in accordance with the Council's policy.

## OUR INTERNAL AUDIT PLAN 2024/25 – PROPOSED AREAS OF REVIEW

The table includes the list of audit topics with a high- level indicative scope, rationale for inclusion and have been mapped to the Council's corporate risks.

OPTION 1						
AUDIT TOPIC	RISK CATEGORY	CORPORATE RISK	INDICATIVE SCOPE	DIRECTORATE	AUDIT SPONSOR	KEY CONTACTS
Health and Safety	People Financial Reputational	SR01, SR03	To provide assurance over the adequacy and effectiveness of the structure, process and controls related to the corporate H&S, including the oversight and coordination mechanism with departmental teams. The review will also evaluate effectiveness of practices and provision of H&S services rendered within Communities, Environment and Resident Services directorate to ensure these are sufficiently robust.	Finance and Resources (Legal and Governance) and Communities, Environment and Resident Services	Beth Brown Colin Parr	Mary Lester
Capital Works Programme	Financial Commercial Legal and Regulatory	SR08	Review the adequacy and effectiveness of the controls related to the procurement and contract management of large capital works. The audit will provide assurance that due process is followed by Directorates in procuring services and ongoing contract management is effective such that services are provided to the expected quality and cost.	Growth & City Development and Finance and Resources (Commercial)	Nikki Jenkins	Geoff Wharton Tony Barry
Housing Repairs	Reputational Financial Data and Information	SR01, SR02, SR03,	Assurance over the governance and control arrangements in place to ensure that all required legislative checks and repair works are being conducted for the housing stock owned by Nottingham City Homes, to ensure a prioritised and risk-based approach is adopted by the Council. This will include review of completeness, accuracy and integrity of data obtained, held and reported by the Council in relation to repair works and associated costs.	Nottingham City Homes	Liz Cook	Andrew Berry
Financial Savings	Financial	SR01	Assurance over the effectiveness of the development, monitoring and delivery of Councils savings plan. This will include assessment of accountability and responsibility at corporate and departmental level, challenge and scrutiny to tackle risk of optimism bias, tracking of savings and outcome assessment.	Finance and Resources	Shabana Kausar	N/A

AUDIT TOPIC	RISK CATEGORY	CORPORATE RISK	INDICATIVE SCOPE	DIRECTORATE	AUDIT SPONSOR	KEY CONTACTS
Financial Approval process for Care and Support	Safeguarding Homelessness Regulatory	SR13	Assurance over the mechanism in place to provide adequate scrutiny over the internal processes for approving support plans in the financial envelope. To include consideration of strength-based approach and early intervention and prevention and the governance around the end-to-end approval process.	Adult Social Care	Vicky Murphy	Director of Social Work
IT Hardware Asset Management	Technology Cyber Reputational	SR04	The review will assess overall governance, risk management and assurance / oversight arrangements for IT hardware asset management. It will evaluate effectiveness and compliance of policies and procedures relating to HR, IT and Information Governance (Data Protection). IA will assess the effectiveness and compliance to the hardware asset management controls, processes and use of Colleague's personal devices reporting on location.	Finance and Resources	Simon Salmon	Rav Ghattaora
PCI Compliance	Technology Cyber Financial Legal and Regulatory	SR04, OR13, SR01	The review will assess overall governance, risk management and assurance / oversight arrangements for PCI Compliance. It will evaluate effectiveness and compliance with mandated training requirements. It will aim to identify where controls gaps may exist within processes directly relate to PCI compliance. Reliance will be placed on any external assurances. Validation of supplier PCI accreditations have been raised as part of our IT Procurement audit and will not be covered in this audit.	Finance and Resources	Shabana Kausar	Glen Hammons
EMSS Accounts Receivable	Financial	N/A	Review the adequacy and effectiveness of the controls related to the accounts receivable system. Audit will provide assurance on debt recovery, write offs, credit balances, suspense accounts and overall monitoring of debt collection	East Midlands Shared Services	Elaine Simpson	Suzana Lugonja
EMSS Accounts Payable	Financial	N/A	Review the adequacy and effectiveness of the controls related to the accounts payable system. Audit will provide assurance on new suppliers, invoice processing, BACS processing, exception reporting and management information.	East Midlands Shared Services	Elaine Simpson	Suzana Lugonja

AUDIT TOPIC	RISK CATEGORY	CORPORATE RISK	INDICATIVE SCOPE	DIRECTORATE	AUDIT SPONSOR	KEY CONTACTS
EMSS Payroll	People Financial	N/A	Review the adequacy and effectiveness of the controls related to the payroll and HR system. Audit will provide assurance on starters, leavers, changes, exception reporting, BACS processing and reconciliation of key accounts.	East Midlands Shared Services	Elaine Simpson	Emma Sutton
EMSS Information Technology	Technology	N/A	Review the adequacy and effectiveness of the controls related to the IT system. Audit will provide assurance on user management, access, change management, roles and responsibilities, assurance reporting and business continuity management.	East Midlands Shared Services	Elaine Simpson	Jill Turner

#### ADDITIONAL REVIEWS

OPTION 2						
AUDIT TOPIC	RISK CATEGORY	CORPORATE RISK	INDICATIVE SCOPE	DIRECTORATE	AUDIT SPONSOR	KEY CONTACTS
Payment Cards and Cash Payments	Safeguarding Financial Reputational	SR09	The review will assess the adequacy of controls in relation to use of payment cards and cash payments used within Children's Integrated Services. Audit will provide assurance over the controls of cards for purchases and imprest accounts. Expenditure in this area indicated £720k per annum.	Children & Education	Jill Colbert	Tbc
Performance Management	People	SR03	Following the implementation of the Council wide new performance management process, this audit will provide assurance over the effectiveness and compliance with the new process, to support individuals in their development.	Finance and Resources	Lee Mann	Tbc
Governance	Governance	SR05	Assurance over the Councils current arrangements for monitoring corporate governance. Audit will evaluate that the overarching governance, roles and responsibility are in place against the principles of good governance.	Finance and Resources	Beth Brown	Tbc