

# DRAFT INTERNAL AUDIT PLAN 2021-2022



Gloucester  
**City Council**

**ARA**  
AuditRiskAssurance

Gloucester City Council  STROUD DISTRICT COUNCIL  Gloucestershire COUNTY COUNCIL 

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## **Background**

All local authorities must make proper provision for Internal Audit in line with the Accounts and Audit Regulations 2015 (the Regulations). These state that authorities must '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 guidance accompanying the Regulations recognises both the Public Sector Internal Audit Standards (PSIAS) 2017 and the Chartered Institute for Public Finance Accountants (CIPFA) Local Government Application Note for the UK PSIAS as representing 'public sector internal audit standards'. The standards define the way in which the Internal Audit Service should be established and undertake its functions.

The standards also require that an opinion is given on the overall adequacy and effectiveness of the Council's control environment comprising risk management, control and governance, which is informed by the work undertaken by the Service.

The Internal Audit service provided by Audit, Risk and Assurance (ARA) conforms to the International Standards for the Professional Practice of Internal Auditing.

## **What is Internal Auditing?**

The role of Internal Audit is to provide independent, objective assurance to management that key risks are being managed effectively. To do this, Internal Audit will evaluate the quality of risk management processes, systems of internal control and corporate governance frameworks, across all parts of an organisation, and to provide an opinion on the effectiveness of these arrangements. As well as providing assurance, Internal Audit's knowledge of the management of risk enables them to act as a consultant and provide support for improvement in an organisation's procedures. For example, at the development stage of a major new system where Internal Audit can help management to ensure that risks are clearly identified and appropriate controls put in place to manage them.

## **Why is assurance important?**

By reporting to senior management that important risks have been evaluated and highlighting where improvements are necessary, Internal Audit helps senior management to demonstrate that they are managing the organisation effectively on behalf of their stakeholders. Hence Internal Audit, along with senior management and external audit, is a critical part of the governance arrangements of the Council and our work significantly contributes to the statutory Annual Governance Statement (AGS).

## **Development of the 2021/22 Internal Audit Plan**

To enable the above, the Head of ARA is required to produce an Annual Risk Based Internal Audit Plan to determine the priorities of the Internal Audit service. The proposed activity should be consistent with the Council's priorities and objectives and take into account the risk management framework, risk appetite levels set by management and Internal Audit's own judgement of risks.

## **How did we develop the plan - Risk Based Internal Audit Planning (RBIAP)**

To ensure Internal Audit's resources continue to be focussed accordingly, particularly during periods of organisational change, it is essential that we understand the Council's needs. This requires building relationships with key stakeholders, including other assurance/challenge providers, to gain crucial insight and ongoing 'intelligence' into the strategic and operational change agendas within the Council.

This insight is not only identified at the initial development stages of the plan but dialogue continues throughout the financial year(s) which increases the ability for the Internal Audit Service to adapt more closely to meet the assurance needs of the Council, particularly during periods of significant change. Our plan is therefore dynamic and flexible to meet these needs.

### **How did we achieve the above?**

To ensure that an effective plan is developed, and alongside Internal Audit's own assessment of risk, a consultation process took place with Corporate Directors, Heads of Service and Service Managers to establish priorities and assurance requirements. Audit and Governance Committee and wider Member audit requests from 2020/21 were also considered as part of the consultation approach. The proposed activity from all sources was collated and matched against the Internal Audit's resource availability and prioritised accordingly.

### **A flexible audit plan - Risk and Control Assurance Programme**

The audit plan is stated in terms of estimated days input to the Council of **550** audit days which is comparable to last year. In total per year, **630** resource days are provided by ARA to enable delivery of the Council's audit plan and to also provide risk management support services.

By continuing to apply RBIAP principles, this level of input (combined with the ability to commission Internal Audit resources from current audit framework agreements as required) is considered acceptable to provide the assurance the Council needs.

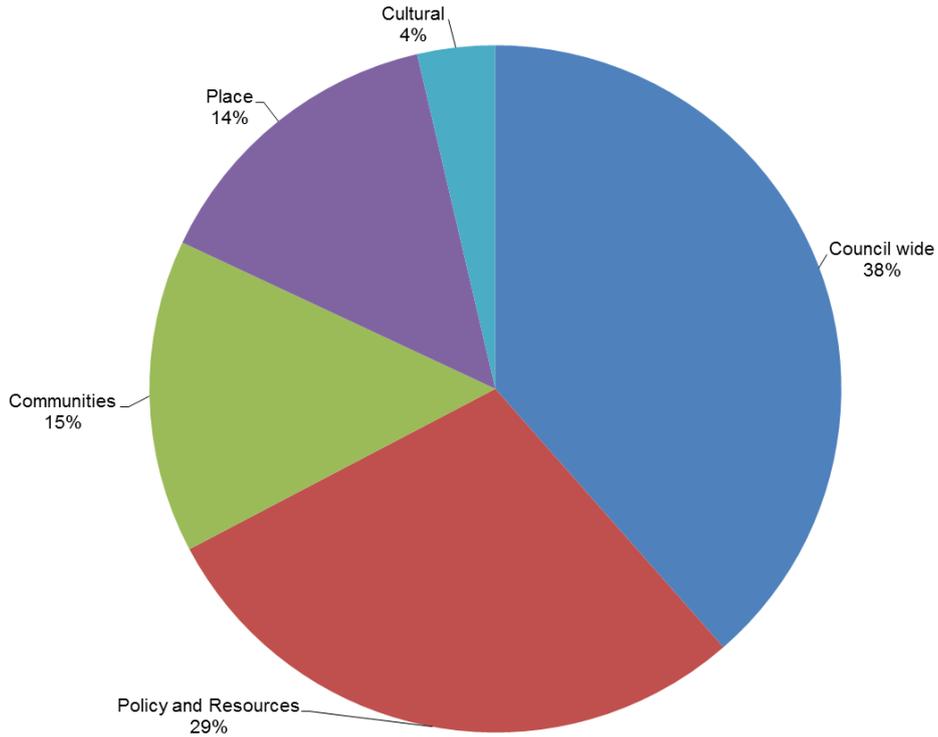
We continuously reassess resource requirements against the Council's priorities, in year demand and risks and will amend the plan throughout the year as required, reporting any key changes to the Audit and Governance Committee.

### **Overview of Internal Audit's Risk and Control Assurance Programme**

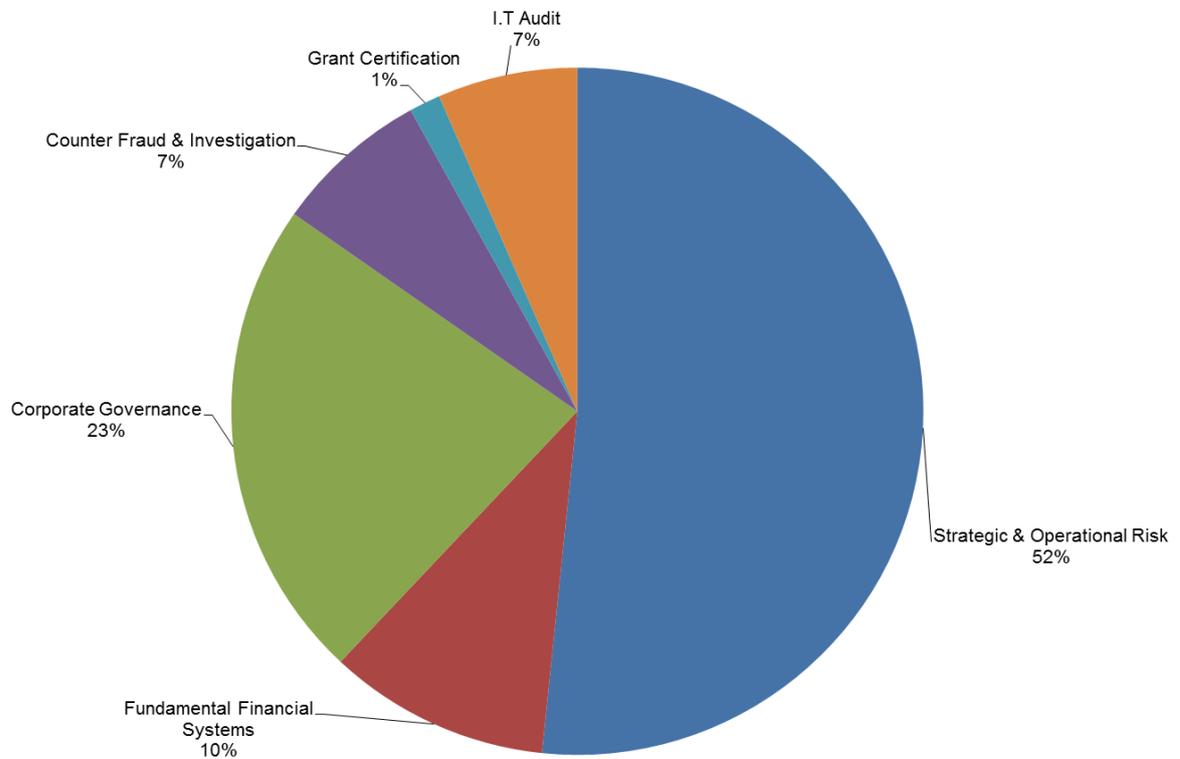
In order to provide a high level overview of the proposed Risk and Control Assurance Programme, the pie charts below highlight the allocation of audit resources per:

- Functional service area; and
- Category of review.

### Percentage of audit days per functional service area



### Percentage of audit days per category of review



The key points to note within the proposals are:

- The split between each of the functional service and Council wide areas is based on risk assessment to enable the provision of the Head of ARA's annual audit opinion;
- Continued focus on corporate governance, compliance with corporate policies, and key financial systems;
- Increased emphasis on providing assurance that the Council's key strategic and operational risks are being effectively managed (including relevant Covid-19 risk themes);
- Continued focus on ICT risks and counter fraud activity, which includes the use of Data Analytics to help support more efficient and effective Internal Audit practices; and
- Taking into consideration other assurance providers.

The detail supporting this overview is presented in **Attachment 1** which shows:

- Audit activity per service area;
- Name of the audit activity;
- Reason for the audit i.e. as a result of RBIAP and link to the Council's Strategic Risk Register, or statutory requirements;
- Outline scope of the review (please note that a detailed terms of reference is agreed with management prior to the commencement of every audit activity. This ensures that the activity is focused on the key risks, is undertaken within agreed time periods and that our service adds value to the Council); and
- The priority of the audit i.e. priorities 1 and 2.

**Priority one** reflects statutory requirements i.e. grant certification, a limited assurance follow-up review, activities that may have been subject to a previous investigation / irregularity, or as deemed necessary by the Head of ARA to enable an opinion on the control environment to be provided.

**Priority two** activities are the remaining identified activities. The aim being that all priority one activities would be delivered within the year with the priority 2 audits being reassessed in the eventuality of any new emerging risk areas highlighted where assurances may be required, or where additional fraud investigations/irregularities materialise.

## Council Wide

Audit	Reason for Audit	Outline Scope	Priority
Climate Change Strategy	Identified as part of Risk Based Internal Audit Planning (RBIAP)  Strategic Risk Register (SRR) 1.9	As part of Gloucester City Council’s objective to Respond to Challenges to the Environment, as well as the 2020/21 public commitment for the Council to achieve net zero carbon emissions by 2030 and the same for the city as a whole by 2050, the Council engaged CLS Ltd to gain an understanding of its carbon emissions as well as how and where the Council could target to make savings in energy use, and consequent reductions in Carbon equivalents (CO2e) emissions.  The review will comprise of an evidential risk-based overview of the management framework in respect of climate change in the context of the following key areas: <ul style="list-style-type: none"> <li>➤ Strategies and policies;</li> <li>➤ Organisation and structures;</li> <li>➤ Mitigation planning and implementation; and</li> <li>➤ Monitoring and review.</li> </ul>	Priority 1
Compliance with corporate policies	Identified as part of RBIAP  SRR 1.2  SRR 1.3	Failure by employees to follow agreed council policies and procedures can expose the Council to unnecessary liability, losses or inappropriate expenditure and behaviour. If the non-compliance of corporate policies becomes the ‘norm’ and this position is allowed to remain unchecked, it will over a fairly short period significantly undermine the Council’s governance framework. This audit allocation will enable ARA to review compliance with the corporate policies for: <ul style="list-style-type: none"> <li>➤ HR Policy: Effective Use of Probationary Period; and</li> <li>➤ Employee Code of Conduct.</li> </ul>	Priority 1

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Audit	Reason for Audit	Outline Scope	Priority
Covid-19 Recovery and Plan for Financial Pressures	Identified as part of RBIAP  SRR 1.1  SRR 1.11  SRR 1.13	<p>The risks arising from the prevalence of the Covid-19 pandemic and the national and international response to managing those risks have had a major impact on our health and our social, economic, family and community lives.</p> <p>As a result of the extended periods of lockdown and tier restrictions, the Senior Management Team are continuing to plan for methods of addressing financial difficulty arising from Covid-19.</p> <p>This audit will review the progress against the Covid-19 recovery plan, including consideration of the effective programme management / monitoring framework for delivery (e.g. that ensure the plan is kept up to date and that options are reviewed on a regular basis).</p>	Priority 1
Agency Staff	Identified as part of RBIAP  Suggestion from Senior Auditor following findings from IR35 activity 2019/20  SRR 1.3  SRR 1.6	<p>The Council will contract with employment agencies to fill short-term general staffing vacancies and/or where required the engagement of more specialist staff to provide technical support which is currently not available through the existing workforce. This audit will review the arrangements for the:</p> <ul style="list-style-type: none"> <li>➤ Initial approval process to engage with an agency;</li> <li>➤ Completion and authorisation of relevant timesheets;</li> <li>➤ Scrutiny of invoices received from the agency; and</li> <li>➤ Formalisation of contractual arrangement with the individual agency staff member (if required).</li> </ul>	Priority 2

## Internal Audit Plan 2021/22

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Audit	Reason for Audit	Outline Scope	Priority
Complaints procedures	Requested by Corporate Director SRR 1.2 SRR 1.3	The effective handling and wherever possible the satisfactory resolution of a compliant (together with identifying and acting on lessons learned) is key to good governance. This audit will review the process for handling expressions of dissatisfaction to provide assurance that these are dealt with in line with Council policy and guidelines and that the level of corporate oversight is appropriate.	Priority 2
Data Breaches and Breach Reporting	Identified as part of RBIAP SRR 1.8	There are specific regulations from the Information Commissioners Office (ICO) that detail what is regarded as a data breach and what actions a company/entity must take to report these 'breach events'.  The internal audit of data breach incidents will be undertaken to give assurance that an ICO regulations compliant data breach reporting process is being followed and applied by the Council.	Priority 2

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### Communities

Audit	Reason for Audit	Outline Scope	Priority
Social Values Policy	Requested by Corporate Director and Head of Communities	<p>In March 2020, Cabinet considered a draft Social Value Policy for Gloucester City Council. To summarise for procurement activity exceeding £50,000, the Council would consider where and how social value can be delivered and would request bidders to submit details on how they expect to deliver social value through delivery of the contract. Social Value would be given a 10% weighting on assessment of submissions. The Council has confirmed that Social Value deliverables should cover the five following areas:</p> <ul style="list-style-type: none"><li>➤ Promoting local skills and employment (Jobs);</li><li>➤ Supporting growth of responsible regional business (Business);</li><li>➤ Creating healthier, safer and more resilient communities (Social);</li><li>➤ Protecting and improving our environment (Environment); and</li><li>➤ Promoting social innovation (Innovation).</li></ul> <p>The review will comprise of an evidential risk-based overview of the management framework in respect of the Social Values Policy in the context of the following key areas:</p> <ul style="list-style-type: none"><li>➤ Strategies and policies;</li><li>➤ Organisation and structures; and</li><li>➤ Monitoring and review.</li></ul>	<b>Priority 1</b>

## Internal Audit Plan 2021/22

Audit	Reason for Audit	Outline Scope	Priority
Disabled Facilities Grant	Requested by Housing Innovation Manager  SRR 1.2	<p>The Disabled Facilities Grant is for the provision of adaptations to disabled people's homes to help them to live independently in their own homes for longer. This funding is part of the Better Care Fund, allocated to County Councils (by the Department for Communities and Local Government (DCLG)) to be further distributed to District Councils as the local housing authorities.</p> <p>This audit will review the effectiveness of the administration of these grants and provide assurance that the grants awarded are in accordance with the grant conditions.</p>	Priority 2
Homeless Outreach	Requested by Housing Innovation Manager  SRR 1.2  SRR 1.9	<p>The Homeless Outreach Scheme is a county wide initiative to ensure there is effective outreach to engage with rough sleepers and those with chaotic needs or complex behaviours to ensure support is available.</p> <p>This audit will review the assurance framework in place within the Council to ensure that the homeless outreach scheme is achieving its aims as set out in the Housing and Homelessness Strategy.</p>	Priority 2
Section 202 reviews	Requested by Head of Communities  SRR 1.1  SRR 1.2  SRR 1.13	<p>The Homelessness Reduction Act 2017 places a legal duty on the Council to offer more support to a wider range of people who are homeless or threatened with homelessness and to intervene earlier. The new act expands the list of decisions that can be reviewed to include the new prevention and relief duties.</p> <p>This audit will review the Section 202 arrangements established within Housing Services when a request to review a decision is received from an applicant.</p>	Priority 2

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Audit	Reason for Audit	Outline Scope	Priority
Tenancy Rescue	<p>Requested by Housing Services Operational Lead</p> <p>SRR 1.1</p> <p>SRR 1.2</p> <p>SRR 1.13</p>	<p>The Homelessness Prevention Grant is awarded by the Ministry of Housing, Communities and Local Government (MHCLG), to finance eligible prevention of households at risk of homelessness, households will only be assisted once. The funding is to be used to reduce the financial pressures on the annual revenue temporary accommodation budget.</p> <p>A report was tabled with Cabinet in June 2019 outlining the Council’s prevention duty (Homelessness Reduction Act 2017), which included the following feasible options to support:</p> <ul style="list-style-type: none"> <li>➤ Tenant rent arrears, subject to a landlord providing a fixed term tenancy for a minimum of 6 months;</li> <li>➤ Property repairs which are the responsibility of tenants;</li> <li>➤ Deposits to secure a tenancy;</li> <li>➤ Top Up of weekly rent and</li> <li>➤ Furnishings.</li> </ul> <p>There is a need to demonstrate that the grant funds allocated have been used for legitimate reasons and this audit will review the effectiveness of the arrangements established within Housing Services.</p>	<b>Priority 2</b>

## Internal Audit Plan 2021/22

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### Cultural

Audit	Reason for Audit	Outline Scope	Priority
Cultural Strategy Review	Requested by Head of Cultural Services  SRR 1.2  SRR 1.5	<p>Gloucester's Cultural Vision and Strategy 2016-2026 is almost at its midway point. Actions to date have included (but are not exclusive to) delivery of the city's successful Great Place project which enabled the Council to achieve many of the early Cultural Vision and Strategy objectives.</p> <p>An agile approach is being undertaken to ensure that Internal Audit, as directed by risk discussions with management and risk assessment, can respond to the changing environment impacting the Cultural Vision and Strategy. Audit review could include:</p> <ul style="list-style-type: none"><li>➤ A review of the effectiveness of the management arrangements established by the Council over the activities within the action plan to meet the 2026 objectives; and</li><li>➤ The arrangements of bringing marketing activities in-house.</li></ul>	<b>Priority 1</b>

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### Place

Audit	Reason for Audit	Outline Scope	Priority
Community Infrastructure Levy (CIL) and Section 106	Requested by Managing Director and Members  SRR 1.1  SRR 1.2  SRR 1.5  SRR 1.7  SRR 1.13	<p>New CIL regulations came into effect on 1 September 2019 and bring into practice the Government's reforms to developer contributions. The changes are designed to make the existing system less complex, more transparent and easier for local authorities to introduce, review and enable CIL and S106 to operate together by removing pooling restrictions. The regulations also require those bodies responsible for charging and spending developer contributions from CIL and S106 to publish this information in the form of Strategic Infrastructure Funding Statements (SIFS).</p> <p>This audit will review the arrangements established by the Council for CIL and Section 106 agreements that could include:</p> <ul style="list-style-type: none"> <li>➤ The recording and monitoring of agreements;</li> <li>➤ Income collection and accounting procedures related to funding received;</li> <li>➤ The decision-making process of using funding; and</li> <li>➤ The delivery of projects.</li> </ul>	<b>Priority 1</b>

## Internal Audit Plan 2021/22

Audit	Reason for Audit	Outline Scope	Priority
High Street Heritage Action Zone	Requested by City Growth and Delivery Manager  SRR 1.5	<p>The Council's City Growth and Delivery team submitted an Expression of Interest (EoI) to Historic England (HE) during the Autumn of 2019 for funding of £1.9m within HE's High Street Heritage Action Zone programme. The national programme was introduced to find new ways to champion and revive historic high streets. Gloucester's EoI was successful and the Council was subsequently invited to submit a full Delivery Plan in December 2019. The bid was one of 69 high streets across England to have been selected to receive a share of the HE £95 million fund.</p> <p>The Delivery Plan includes a number of strands. As the designated Accountable Body, the Council will be responsible for administering, monitoring and enforcing the programme and will be required to enter into grant agreements with the funding/grant recipients.</p> <p>This audit will review the systems in operation for processing applications and monitoring grant expenditure. This will include the selection of a sample of grants to review the application process, to ensure compliance with the guidance, and to establish the level of monitoring undertaken once the grant has been awarded.</p>	Priority 2
Planning - Processing and Performance	Identified as part of RBIAP  SRR 1.2  SRR 1.3	<p>The Council is the area's local planning authority, responsible for determining whether development in the local environment (constructing or altering buildings, or use of land) is suitable and in accordance with local and national policy.</p> <p>This audit will consider the arrangements in accepting, validating, publicising and determining planning applications. National government is keen to ensure continuing improvement in the planning system, and measures the Council's performance on the speed and quality of decisions on applications for major development. The Council's activities in monitoring and securing good performance shall also be reviewed.</p>	Priority 2

## Internal Audit Plan 2021/22

Audit	Reason for Audit	Outline Scope	Priority
Recycling Commodities	<p>Requested by Corporate Director and Senior Management</p> <p>SRR 1.1</p> <p>SRR 1.2</p> <p>SRR 1.4</p>	<p>The Council collects recycling commodities (plastic, glass, paper, cardboard, etc.) through its role as the Waste Collection Authority (WCA). Where standards are met, the recycling commodities can be sold to be remade into new raw materials. The collection and recycling of the commodities is undertaken by the Waste Management Provider on behalf of the Council. Within the current contractual arrangements with the Waste Management Provider, all income from the sale of commodities is used to subsidise payments of the services provided, therefore it is in the best interest of the Council to maximise recycling commodities where possible, alongside climate change / carbon reduction objectives.</p> <p>The objective of this audit is to review the management assurance framework regards recycling commodity income (including income maximisation). This could include review of:</p> <ul style="list-style-type: none"> <li>➤ The performance framework;</li> <li>➤ Recordkeeping (accounting) for commodity sales;</li> <li>➤ Recycling commodity broker arrangements; and</li> <li>➤ Internal controls over handling of cash/income from commodity sales.</li> </ul>	<b>Priority 2</b>

## Internal Audit Plan 2021/22

Audit	Reason for Audit	Outline Scope	Priority
Recycling Credits	<p>Requested by Corporate Director and Senior Management</p> <p>SRR 1.1</p> <p>SRR 1.2</p> <p>SRR 1.4</p>	<p>The Recycling Credit Scheme was introduced by Government in 1990 through section 52 of the Environmental Protection Act. The payments were introduced to incentivise Waste Collection Authorities (WCA) to boost recycling and reuse by diverting waste from landfill for the Waste Disposal Authority (WDA). Payments are made by to the WCA by the WDA.</p> <p>Recycling credit rates are calculated annually in accordance with the Department for Environment, Food and Rural Affairs (DEFRA) guidance. Rates are currently increased by 3% annually, however this figure remains subject to review by Government.</p> <p>This audit will review and provide assurance on the arrangement within the Council to ensure that recycling credits are calculated correctly including:</p> <ul style="list-style-type: none"> <li>➤ The management oversight arrangements to ensure that the information obtained from the outsourced Waste Management Provider for recycling credits are appropriate; and</li> <li>➤ Calculation of recycling credits are made in accordance with the agreement with the WDA.</li> </ul>	<b>Priority 2</b>

## Internal Audit Plan 2021/22

### Policy and Resources

Audit	Reason for Audit	Outline Scope	Priority
Accounts Receivable	Requested by Head of Policy and Resources  SRR 1.1  SRR 1.6	The Council implemented the current Financial Management System (Civica Financials) in 2017, which incorporates a debtors module.  Accounts Receivable is identified as a key financial system and this audit will review the key high level controls to provide assurance that they continue to operate effectively.	Priority 1
Bank Reconciliation	Identified as part of RBIAP  SRR 1.2  SRR 1.6	The accurate and timely processing of bank reconciliations is a fundamental financial control process to ensure the integrity of the transactions in the accounting system (Civica Financials).  This audit will examine the reconciliation processes that are currently in operation to verify their regularity, accuracy, completeness and timeliness.	Priority 1
Blackfriars Priory Turnover Certificate	Annual requirement  SRR 1.4  SRR 1.7	The rent charges paid by the Council to English Heritage are based on a percentage of the income generated from holding events at Blackfriars Priory. It is a condition of the lease that the Council provides a turnover certificate from a qualified auditor to confirm the level of income received. This audit will provide assurance that the turnover values stated to English Heritage are in accordance with and supported by documents and records held by the Council.	Priority 1

## Internal Audit Plan 2021/22

Audit	Reason for Audit	Outline Scope	Priority
Elections - claims for reimbursement of expenditure for Gloucester City Council	<p>Requested by the Policy and Governance Manager</p> <p>SRR 1.2</p> <p>SRR 1.3</p>	<p>The May 2020 elections were postponed, due to the impact of the Covid-19 pandemic.</p> <p>This audit allocation is to ensure appropriate days within the 2021/22 Internal Audit Plan, to ensure coverage of Gloucester City Council's 2021 election relevant expenditure claims.</p> <p>The audit is planned to provide assurance that, in all significant respects, the claim for each election (to be confirmed) is complete and accurate and appropriately evidenced.</p>	Priority 1
Gloucestershire Airport	<p>Identified as part of RBIAP</p> <p>SRR 1.4</p>	<p>Gloucestershire Airport Limited is a wholly owned airport company which was established during 1992/93 by Gloucester City Council and Cheltenham Borough Council (using powers available under the Airports Act 1986) replacing the previous joint committee arrangements. Each authority owns 50% of the shares and this is classified within the Council's individual accounts as a long-term investment.</p> <p>This audit will review the effectiveness of the governance and oversight arrangements established to protect the Council's investments in this joint venture.</p>	Priority 1

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Audit	Reason for Audit	Outline Scope	Priority
Investment Portfolio Risk	Requested by Head of Policy and Resources  SRR 1.5  SRR 1.7  SRR 1.14	<p>The investments into the regeneration of the City underpin the vision set out by the Council and therefore have strategic significance in the Council meeting its objectives.</p> <p>An agile approach is being undertaken to ensure that Internal Audit (as directed by ongoing risk discussions with management and resulting risk assessment) can respond to the changing environment surrounding the investment portfolio. Potential areas of coverage could include:</p> <ul style="list-style-type: none"><li>➤ The Commercial Property Strategy;</li><li>➤ Development schemes and plan reviews;</li><li>➤ Performance monitoring and reporting for the investment portfolio;</li><li>➤ Robustness and feasibility advice and testing; and</li><li>➤ Business processes and resources.</li></ul>	<b>Priority 1</b>

## Internal Audit Plan 2021/22

Audit	Reason for Audit	Outline Scope	Priority
Lost Sale, Fees and Charges Claim 3	<p>Requested by the Policy and Governance Manager</p> <p>SRR 1.2</p> <p>SRR 1.3</p> <p>SRR 1.11</p>	<p>Covid-19 has impacted local authorities' ability to generate revenues in several service areas as a result of lockdown, government restrictions, and social distancing measures related to the pandemic. The Ministry of Housing, Communities, and Local Government (MHCLG) has introduced a one-off income loss scheme to help compensate for a proportion of the irrecoverable and unavoidable losses from sales, fees and charges income generated in the delivery of services in the financial year 2020/21.</p> <p>There are a total of three claims covering the periods of April – July 2020, August – November 2020, and December 2020 to March 2021. The scheme also requires a reconciliation process to be completed by the Council after the submission of the third claim and is due to account for losses claimed for in the early part of the scheme that may ultimately be recoverable, and others that might ultimately be irrecoverable when recoverability was originally considered possible.</p> <p>This audit will review the Lost Sales, Fees and Charges claim 3 to provide assurance that the claim has been submitted in line with the guidance from the MHCLG.</p>	Priority 1
Technology Forge	<p>Requested by Property Commissioning Manager</p> <p>SRR 1.8</p>	<p>Technology Forge is the leading property and asset management software supplier to the Public Sector. The software has been commissioned by Gloucester City Council and is due to be implemented within 2021.</p> <p>This audit allocation is to ensure appropriate days within the 2021/22 Internal Audit Plan, to ensure coverage of risk and control review of Technology Forge. The specific audit scope will be defined through risk discussion with management and risk assessment by Internal Audit.</p>	Priority 1

## Internal Audit Plan 2021/22

Audit	Reason for Audit	Outline Scope	Priority
Cemeteries and Crematorium – compliance with GDPR	Identified as part of RBIAP  SRR 1.8	<p>The General Data Protection Regulation (GDPR) is a legal framework that sets guidelines for the collection and processing of personal information of individuals within the European Union (EU). GDPR regulation covers all organisations that deal with data of EU citizens, so it is a critical regulation for corporate compliance. The regulation was adopted on 27<sup>th</sup> April 2016 and became enforceable from 25<sup>th</sup> May 2018.</p> <p>This audit will review the personal data held by the service to provide assurance that personal information gathered is only used for the purpose for which it was originally intended and held in accordance with GDPR principles.</p>	<b>Priority 2</b>
Disposal of Herbert, Kimberley and Phillpotts (HKP) Warehouses	Identified as part of RBIAP  SRR 1.2  SRR 1.5	<p>This internal audit will be a targeted review regarding the disposal of HKP Warehouses.</p> <p>The audit will review the asset disposal governance arrangements, including the decision-making processes for the disposal of the HKP Warehouses taking into account the requirements of the Council's Standing Orders, Financial Regulations and any other relevant disposal policies.</p>	<b>Priority 2</b>
Procurement Cards	Identified as part of RBIAP  SRR 1.2  SRR 1.3  SRR 1.6	<p>A procurement card is primarily used for lower-priced purchases and is considered an excellent tool for making payments to suppliers since it streamlines the expensive process of issuing purchase orders, matching receiving documents to supplier invoices and making payments to individual creditors. Whilst these cards can provide flexibility when purchasing low value items their use can result in a reduction with transparency of expenditure.</p> <p>This audit will review the controls over the procurement cards used within the Council.</p>	<b>Priority 2</b>

## Internal Audit Plan 2021/22

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### ICT internal audits

The ICT audit needs assessment 2021/22 is being compiled by ARA's ICT audit specialists in consultation with and having input from the Council and Civica officers. This exercise will consider the outcomes from the three ICT internal audits within 2020/21 (being delivered within quarter 4 2020/21) and wider assurance mapping considerations (e.g. where wider ICT review occurs provided by alternate assurance providers). The draft ICT audit needs assessment 2021/22 will be reviewed and agreed by the Gloucester City Council Information Governance Board, prior to presentation to and agreement by Audit and Governance Committee in July 2021.

As at February 2021, the following ICT internal audit 2021/22 has been highlighted for consideration within the draft ICT audit needs assessment:

Audit	Reason for Audit	Outline Scope	Priority
Payment Card Industry - Data Security Standard (PCI DSS) (Council Wide)	Identified as part of RBIAP SRR 1.2 SRR 1.8	The Payment Card Industry – Data Security Standards (PCI DSS) is a worldwide set of controls developed to help businesses/entities process card payments securely and reduce card fraud.  This audit will select a sample of Council locations/offices that take card payments and provide assurance regards compliance with the Council's PCI DSS policy and procedures.	Priority 2

## Internal Audit Plan 2021/22

### Counter Fraud

Audit	Reason for Audit	Outline Scope	Priority
Fraud Investigation / Detection	<p>To support the Annual Governance Statement (AGS)</p> <p>Protect the Public Purse</p> <p>SRR 1.6</p>	<p>Allocation to continue the development and implementation of the Council's Anti-Fraud and Corruption arrangements based on latest best practice.</p> <p>This includes an allocation for increasing the profile and awareness of anti-fraud, conducting pro-active counter-fraud reviews and undertaking investigations as required. Within 2021/22, this will include focussed activity on Covid-19 relevant fraud risk themes e.g. Covid-19 business grants, etc.</p>	Priority 1
National Fraud Initiative (NFI)	<p>To support the AGS</p> <p>SRR 1.6</p>	<p>To continue to co-ordinate activity as part of the NFI (a national data matching exercise that compares data/records i.e. payroll, licences, housing waiting list, single person discounts, creditors, etc.) for a wide range of public services, including ensuring that matches are investigated promptly and thoroughly, and reporting of results.</p>	Priority 1
Fraud Risk Management	<p>To support the AGS</p> <p>Informs the RBIAP</p>	<p>The CIPFA Counter Fraud Centre has issued guidance on actions to be taken to 'Manage the Risk of Fraud and Corruption' within an organisation.</p> <p>This allocation is to continue to self assess against the criteria set out in the guidance in order to direct/prioritise our counter fraud and internal audit resources/activity accordingly.</p>	Priority 1

## Management Activity to Support the Audit Opinion

Activity	Reason for Activity	Outline Scope	Priority
Annual Governance Statement (AGS)	Statutory Requirement	This allocation is to lead on the development and implementation of the governance assurance framework and to develop and publish the 2020/21 AGS and Local Code of Corporate Governance.	Priority 1
Audit and Governance Committee / Member / Officer and Chief Financial Officer Reporting	Management activity to support the audit opinion	This allocation covers Member reporting procedures, mainly to the Audit and Governance Committee, plan formulation and monitoring and regular reporting to and meeting with the Chair and Vice Chair of the Audit and Governance Committee and the Head of Policy and Resources.	Priority 1
Provision of Internal Control / General Advice	To support an effective control environment	This allocation allows auditors to facilitate the provision of risk and control advice which is regularly requested by officers within the Council.	Priority 1
Quality Assurance and Improvement Programme (QAIP)	Statutory Requirement  To support the AGS	The Accounts and Audit Regulations 2015 states that Internal Audit should conform to 'proper practices' and it is advised that proper practice for internal audit is currently set out in the Public Sector Internal Audit Standards (PSIAS) 2017.  This allocation is to undertake an annual self assessment of Internal Audit and when required, commission and deliver an external quality assessment, against the Standards.	Priority 1

## Internal Audit Plan 2021/22

Activity	Reason for Activity	Outline Scope	Priority
External Working Groups	Activity to support the audit opinion	Attendance / work in relation to the Local Authority Chief Auditor's Network (National Group), Midland Counties and Districts Chief Internal Auditors Group and the Fraud and ICT Groups to enable networking and to share good practice.	Priority 1
External Audit Liaison	Management activity to support the audit opinion	The External Auditor and the Chief Internal Auditor regularly meet to discuss plans and audit findings, to ensure that a 'managed audit' approach is followed in relation to the provision of internal and external audit services.	Priority 1
Carry Forwards	Audit Activity outstanding	This allocation provides for the completion of various 2020/21 audits which require finalising.	Priority 1
Recommendation Monitoring	Activity to support the audit opinion	Whilst it is management's responsibility to manage the risks associated with their outcomes/objectives, this allocation enables Internal Audit to monitor management's progress with the implementation of high priority recommendations.	Priority 1
Internal Working Groups	Activity to support the audit opinion	Internal Audit is frequently asked to nominate representatives for working groups to advise on risk and control.	Priority 2