



HUNTINGDONSHIRE DISTRICT COUNCIL

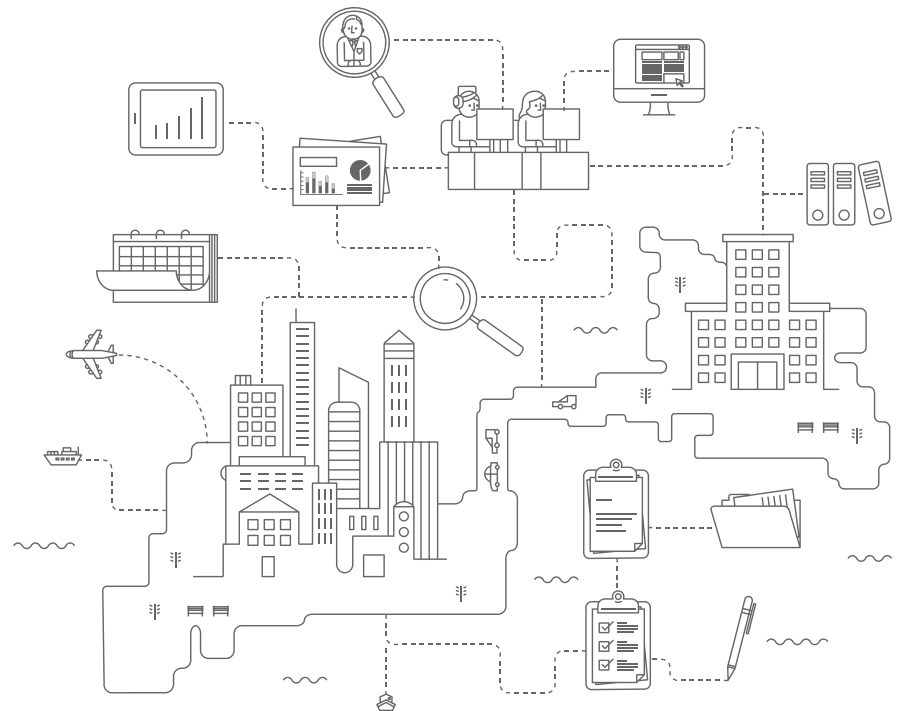
Internal Audit Strategy (Potential Areas of Coverage) 2025/26 – Long List

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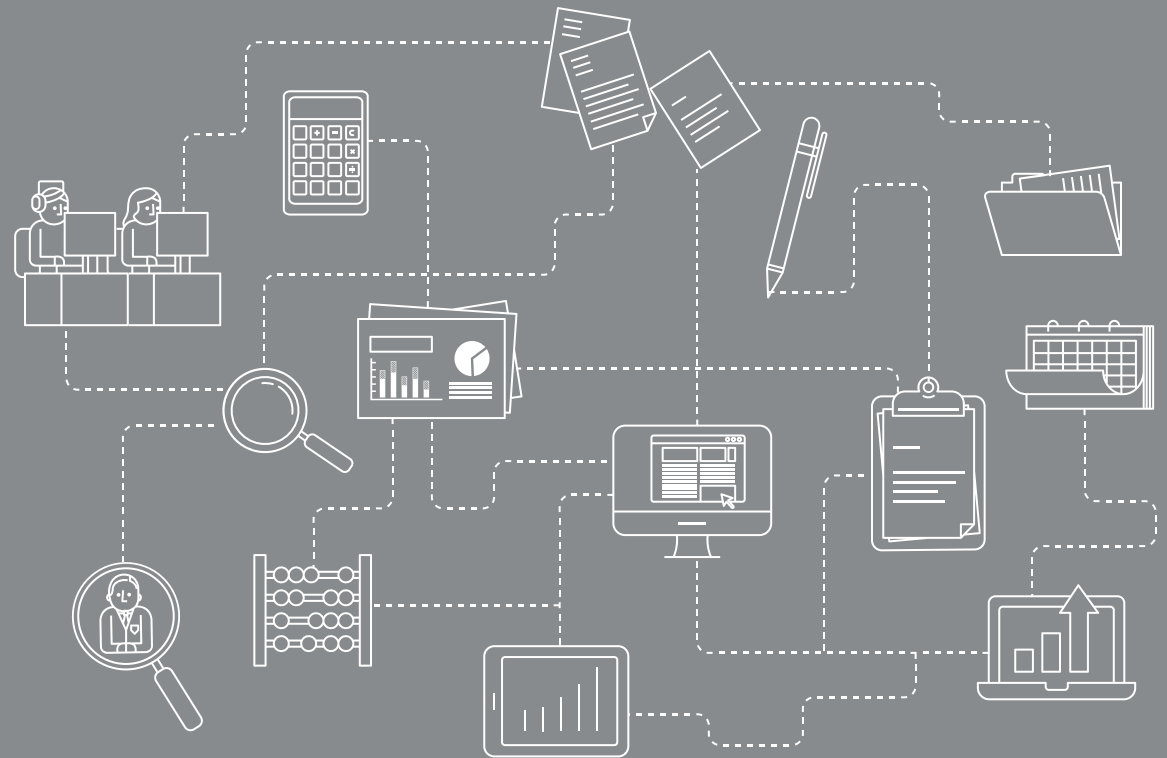
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Annual Internal Audit Plan

Proposed Audits

01



1.1 INTERNAL AUDIT PLAN 2025/26 – LONG LIST OF POTENTIAL AUDIT AREAS

We are in the early stages of the process of developing the Internal Audit Plan for 2025/26. This paper provides the Corporate Governance Committee (CGC) with an update on progress made to date and actions to be taken between now and the next CGC in March 2025.

To date we have held some initial discussions with the in-house internal audit team on previous coverage and potential areas of future coverage, based on their knowledge of the organisation and its operations.

We propose to develop the Internal Audit Plan for 2025/26 and an Internal Audit Strategy for approval by the CGC in the March 2025 meeting. We will align potential areas coverage with the respective Corporate / Strategic Risk Registers where appropriate and link the audits to the Council's Corporate Plan. We know the Council's Strategic Risks have been updated in January 2025 and therefore these new risk descriptions will be used to inform our Strategy. A risk management audit will also be proposed to be undertaken in 2025/26 to get some assurance that the revised risk register(s) are robust and reliable.

We will discuss assurance needs and associated areas for internal audit coverage with members of the Senior Leadership Team (SLT) in February and March 2025. We will also document an Assurance Map, alongside the updated risk framework, in order to consider previous internal audit coverage, the outcomes and also use this when considering 2025/26 coverage. The plan will remain dynamic and can of course be updated to reflect emerging risk priorities in the new financial year.

The table below shows each of the reviews that we consider could feature on the final plan, based on our initial discussions and observations. However, we are happy to invite SLT members to suggest alternative areas of coverage based their concerns, risks and assurance needs. For 2024/25 the Council had 23 audits on their Internal Audit Plan (inclusive of Follow Up), however a number of these reviews have already been deferred into 2025/26 and no specialist coverage (ie IT audit) has been undertaken in 2024/25 to date (although an audit has been agreed to be undertaken by RSM in Q4 2024/25 on Cyber Security / Essentials).

Section 1.2 covers a high level summary of our methodology for developing the annual internal audit plan.

Objective of the Review	Notes
Audit Areas deferred from 2024/25	
<p>Risk Management</p> <p>Required for Head of IA opinion on risk management. This review will cover how risks are identified, assessed, scored, monitored and reviewed. We will consider how risk is used to information decision-making and for assurance processes, including how risk appetite is defined and applied, and how risks are monitored within the governance structure.</p>	<p>Deferred from 2024/25 – Likely to be an early audit in 2025/26 to determine if we can place reliance on the RM framework which will have informed the 2025/26 IA plan.</p>
<p>Contract Management</p> <p>We will assess how effective the Council's framework is for contract management and ensuring value for money is obtained from a selection of key contracts. This will include establishing if contracts are signed and monitored, with KPIs reporting on and contract management meetings taking place as required.</p>	<p>Deferred from 2024/25 – we will review the strategic risk register to determine if this is still a priority area of coverage for the Council or is this should be considered in a wider IA Strategy.</p>
<p>Corporate Governance and Scheme of Delegation</p> <p>To provide assurance over the effectiveness of governance arrangements within the Council. The focus will be on a selection of key forums, assessing ensuring governance arrangements are effective, with clear and approved terms of reference, regular meetings taking place and matters being escalated appropriately.</p>	<p>Deferred from 2024/25 – we will review the strategic risk register to determine if this is still a priority area of coverage for the Council or is this should be considered in a wider IA Strategy.</p>

Objective of the Review	Notes
<p>Data Quality and Performance Management</p> <p>The audit will focus on how performance data is collated, reviewed and reported. This will include review of the Data Quality Policy and associated procedures, assessing whether it is fit for purpose and understood, whether governance of data quality is clear and adhered to, and whether it is followed within the KPIs. For a specific sample of data, we will substantiate the data back to source.</p>	<p>Deferred from 2024/25 – we will review the strategic risk register to determine if this is still a priority area of coverage for the Council or is this should be considered in a wider IA Strategy.</p>
<p>Home Improvement Agency</p> <p>The Internal Audit will consider how the arrangements with the Home Improvement Agency are working, how the agreement outcomes are managed, whether they are providing best value for the Council and if decision making is in line with HDC's policies.</p>	<p>Deferred from 2024/25 – we will review the strategic risk register to determine if this is still a priority area of coverage for the Council or is this should be considered in a wider IA Strategy.</p>
<p>Partnership Working</p> <p>This review will consider the governance arrangements that exist for a sample of partners and how these partnerships are being managed. We will also consider how existing partnerships were selected and approved, and what policies were followed.</p>	<p>Deferred from 2024/25 – we will review the strategic risk register to determine if this is still a priority area of coverage for the Council or is this should be considered in a wider IA Strategy.</p>
<p>Finance</p>	
<p>Key Financial Controls</p> <p>Coverage to provide assurance to the S151 Officer that robust systems of financial control are in place and being complied with. Coverage will also meet External Audit / Regulatory requirements and any management concerns. Areas to cover include:</p> <ul style="list-style-type: none"> • General Ledger • Creditors • Debtors • Cash and Treasury Management • Assets • Budget Setting and Control • Efficiencies / Savings Plans 	<p>Coverage important to consider in the provision of an annual Head of Internal Audit opinion. We will review previous coverage in these areas and agree priority areas of coverage.</p>
<p>Medium Term Financial Strategy (MTFS)</p> <p>The MTFS brings together all known factors affecting the Council's financial position and its financial sustainability into one process. We will undertake a review of the Council's MTFS to understand whether the underlying assumptions are based on robust plans.</p> <p>The Council must:</p> <ul style="list-style-type: none"> • Set a balanced budget each year; • Ensure it is financially sustainable in the medium term; and • Maintain adequate reserves. 	<p>n/a</p>

Objective of the Review	Notes
<p>Payroll</p> <p>To review key payroll controls including processing of starters, leavers and changes documentation, monthly checks and approval of the payroll, management and recovery of over-payments and the timeliness and accuracy of processing.</p>	n/a
<p>Council Tax</p> <p>We will examine key controls in place within the Council to provide an effective and efficient Council Tax billing, collection and recovery operation.</p>	Core system
<p>Housing Benefits</p> <p>The Council is required to ensure that the community are appropriately assisted in their housing needs through the payment of housing benefits. We will seek to review key controls in this area.</p>	Core system
<p>Business Rates</p> <p>We will examine key controls in place within the Council to provide of an effective and efficient Business Rates, billing, collection and recovery service.</p>	Core system
<p>Capital Expenditure</p> <p>To review key controls and governance arrangements in place to prioritise the capital plan and monitor delivery and financials.</p>	n/a
People	
<p>Safeguarding</p> <p>To ensure that all Officers and volunteers in a regulated role are subject to the necessary checks and references prior to working with children and vulnerable adults. We will also review the level of training and awareness across the Council.</p>	n/a
<p>Human Resources</p> <p>Key controls review could cover areas such as:</p> <ul style="list-style-type: none"> • Mandatory Training • Absence Management • HR Policies and Procedures • Recruitment and Retention 	n/a
<p>Workforce Development Strategy</p> <p>This review will focus on the Workforce Development Strategy assessing how it links to the Council's overall strategy and objectives, whether it is complete and comprehensive, as well as an assessment on delivery and implementation of the strategy.</p>	n/a
Equality and Diversity	Suggested by in-house IA team

Objective of the Review	Notes
<p>We could complete a review that considers how the Council embeds its values of equality and diversity to aid staff recruitment and retention. This could consider how the EDI strategy has been developed and communicated across the organisation.</p>	
<p>Staff Mental Health and Wellbeing</p> <p>We will assess how the Council ensures its framework for wellbeing is implemented and monitored. We will also consider how the staff survey is used to determine performance.</p>	n/a
<p>Home / Lone Working</p> <p>As the Council has many staff that work alone or remotely, this review would cover how the Council ensures the safety of its staff.</p>	Suggested by in-house IA team
<p>Core Assurance</p>	
<p>Health and Safety</p> <p>To consider the health and safety arrangements within the Council, including update of policies and procedures, completion of mandatory training and risk assessments, as well as governance arrangements.</p>	n/a
<p>General Data Protection Regulations (GDPR)</p> <p>Our work could assess the controls the Council has in place to comply with the GDPR requirements. The review will review the Council strategy/policies/procedures in place, training and sample test arrangements in place and the knowledge of staff in relation to compliance with the regulations and reporting of breaches. This review will be undertaken by our specialist Technology Risk Consulting Team.</p>	Suggested by in-house IA team
<p>Policies and Procedures - Governance</p> <p>To review controls to update (in a timely manner) and approval policies (at the right level within the organisation) and procedures across the Council.</p>	Suggested by in-house IA team
<p>Complaints Management</p> <p>To review the complaints management policies and procedures, overall ownership of the complaints process, how complaints are reviewed and monitored through the Governance structure, in addition to how themes are identified and lessons learnt identified and acted on.</p>	Suggested by in-house IA team
<p>Community Engagement</p> <p>We will consider the controls and governance arrangements to engage with the community.</p>	Suggested by in-house IA team
<p>Transformation</p> <p>Key programme and project management review to assess how Transformation projects are developed and plans delivered, how benefits are tracked and realised and if stakeholders are assured on progress of the transformation agenda.</p>	Suggested by in-house IA team
<p>Freedom of Information</p>	Suggested by in-house IA team

Objective of the Review	Notes
<p>How the Council responds to FOI requests and complies with its own policies and procedures. To include the robustness of policies and documents in place, how frequently they are updated, overall ownership of FOI, if mandatory training is in place, how training is completed and monitored.</p>	
<p>Insurance</p> <p>To consider key controls in relation to the insurance of Council owned properties. This review could also consider the tendering of insurance services, claims handling and other key controls associated with insurance cover.</p>	Suggested by in-house IA team
<p>Service Plans</p> <p>Service Plans outline objectives for the year for service areas, key risks, business transformation initiatives, and there should be a rigorous approval process for SLT. We propose to audit the key controls and governance arrangements.</p>	Suggested by in-house IA team
<p>Licensing</p> <p>The Council issues a range of licenses. We propose to review to key controls in a selection of areas to provide assurance.</p>	Suggested by in-house IA team
<p>Information Technology</p>	
<p>IT Audit</p> <p>To provide assurance over the effectiveness of the IT systems and processes. The specific audits to be undertaken will be determined through discussions with management prior to the review but could include:</p> <ul style="list-style-type: none"> • Network Security • Cyber Essentials • General IT Controls • Robustness of IT Infrastructure • Application reviews • Information Systems and Data 	Given the reliance on IT systems for any organization, yearly coverage of IT related risks or key systems is recommended.
<p>Other areas of assurance</p>	
<p>Disabled Facility Grant (DFG) Verification</p> <p>Annual grant verification review.</p>	Annual need for grant audit coverage.
<p>Follow Up</p> <p>To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.</p>	Required to meet Public Sector Internal Audit Standards
<p>Management</p> <p>This will include:</p> <ul style="list-style-type: none"> • Annual planning 	Required to meet Public Sector Internal Audit Standards

Objective of the Review	Notes
<ul style="list-style-type: none">• Preparation for, and attendance at, SLT and Corporate Governance Committee• Regular liaison and progress updates to S151 Officer, Portfolio Holder and CGC Chair• Liaison with external audit and other assurance providers• Preparation of the annual report and opinion (tbc who will be providing the year end opinion)	

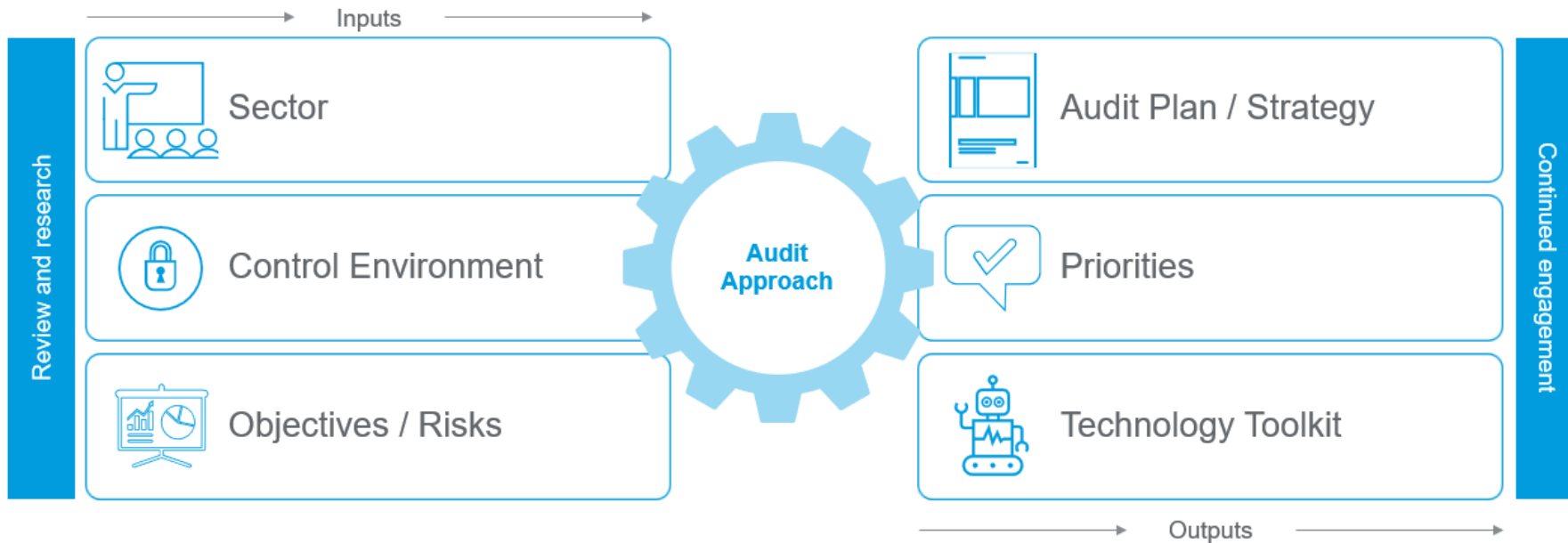
1.2 INTERNAL AUDIT METHODOLOGY

Our approach to developing your internal audit plan is based on analysing your organisational objectives, risk profile and assurance framework as well as other factors affecting Huntingdonshire District Council in the year ahead, including changes within the sector. We also discuss audit priorities and coverage with the Section 151 Officer, members of the Senior Leadership Team, and other senior representatives within the Council.

Risk management processes

We will evaluate your risk management processes in 2025/26 and consider that we can place reliance on your risk registers / assurance framework to inform the internal audit strategy. We have used various sources of information (see Figure A below) and discussed priorities for internal audit coverage with senior management and the Audit Committee to develop your annual audit plan.

Figure A: Audit considerations when developing the Internal Audit Strategy.



2.1 ASSURANCE MAP 2021/22 - 2027/28

The table below shows an overview of the audit coverage that has been previously provided by the in-house Internal Audit teams plans and the associated level of assurance provided. We have also started to indicate potential areas of coverage for 2025/26 – 2027/28 to provide ideas for an Internal Audit Strategy. This forward and backward looking Assurance Map of internal audit coverage will be derived from the process outlined in Section 1.1 above, our view of risks facing the sector as a whole and a review of prior year Internal Audit Strategies and Annual Reports.

Please note this document is a work in progress and will be updated over the coming weeks.

Audit Area	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Parking: MiPermit	Adequate						
Overtime	Adequate						✓
Towns Programme	Adequate						
Section 106 Agreements	Adequate						
Shadow IT / Service-procured systems	Adequate						
Corporate Enforcement Policy	Adequate						
IT Procurement & Contract Management	Adequate	Adequate				✓	
Compliance with Code of Transparency	Limited						
ICT Asset Inventory	Limited						
Right to Work / Workforce	Limited				✓	✓	✓
Small Works Contract	Limited			Reasonable			
Sickness – follow up review / Sickness Management / HR Review	Limited				✓	✓	✓
Shadow IT / Service-procured Systems		Adequate					
Fuel Usage & Payments		Adequate					

Audit Area	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Payroll		Adequate		✓	✓	✓	✓
Planning Applications KPIs		Adequate					
Shared Service ICT Cost Allocations		Adequate					
Section 106 Agreements		Adequate					
Risk Management		Limited			✓		✓
Social Value (in Procurement) / Procurement / Contract Management		Limited		✓	✓	✓	✓
Purchasing Cards		Limited				✓	
CIPFA Financial Management Code			Adequate				
Safeguarding			Adequate		✓		✓
Tree Management			Adequate				
Disabled Facilities Grants Annual Declaration			✓	✓	✓	✓	✓
Climate - Carbon Data			Adequate				
Business Continuity Planning			Advisory			✓	
IT Audit / IT Procurement and Contract Management / Critical Application Security	Advisory		Advisory		✓	✓	✓
People Capacity / People			Advisory		✓		
GDPR Healthcheck			Advisory		✓		✓
Budgetary Control / Medium Term Financial Planning				Reasonable	✓		✓
Operational Vehicles Maintenance Process				Reasonable			

Audit Area	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
One Leisure, Pool Operation Records				✓			
Review of Commercial Estates rent review processes and invoicing				✓			
Green Bin Implementation and transfer to BAU operations				✓			
Green Credentials on projects already implemented				✓			
Key Financial Controls				✓	✓	✓	✓

NB – This draft assurance map is being developed to inform our 2025/26 internal audit planning

This includes all audits on the 2024/25 plan that are planned for delivery as at January 2025.

This assurance map does not show all internal audits approved for completion in the relevant years.

Key:	Assurance Level:
Positive opinions	Reasonable or Adequate Assurance
Negative opinions	Limited Assurance
Advisory	No formal assurance opinion provided

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