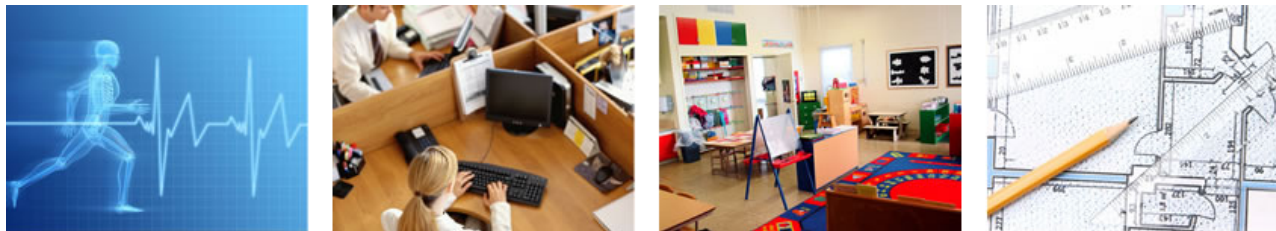


ASSURANCE SERVICE INTERNAL AUDIT STRATEGY AND PLAN 2024/25



MARCH 2024

1. INTRODUCTION

1.1 The purpose of this document is to present the proposed Internal Audit Strategy and Plan for 2024/25 to the Audit Panel for review and approval.

2. INTRODUCTION

2.1 This document summarises the results of Internal Audit's planning work, and sets out:

- Requirements of the Public Sector Internal Audit Standards
- Responsibilities
- The Planning Process
- Resourcing of Internal Audit and Counter Fraud
- Proposed Programme of Work for 2024/25 (the Audit Plan)
- Collaboration Arrangements
- Arrangements for Reporting Internal Audit Work

2.2 The plan has been prepared in accordance with the Public Sector Internal Audit Standards (PSIAS) and the Audit Charter, presented alongside this Strategy and Plan.

3. PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS)

3.1 Standards for Internal Audit in local government are set out in the PSIAS and a Local Government Application Note from the Chartered Institute of Public Finance and Accountancy (CIPFA). The PSIAS represent mandatory best practice for all internal audit service providers in the public sector.

3.2 The PSIAS section '2010 Planning' states:

The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals.

To develop the risk-based plan, the chief audit executive consults with senior management and the board and obtains an understanding of the organisation's strategies, key business objectives, associated risks and risk management processes. The chief audit executive must review and adjust the plan, as necessary, in response to changes in the organisation's business, risks, operations, programmes, systems, and controls.

4. RESPONSIBILITIES

Internal Audit

4.1 The Internal Audit function is responsible for:

- Reviewing and developing the Council's governance processes, including:
 - Promoting appropriate ethics and values within the Council
 - Supporting effective organisational performance management and accountability
 - Communicating risk and control information to appropriate areas of the organisation
 - Coordinating the activities of, and communicating information among, the Audit Panel, External Audit, and management
- Evaluating the effectiveness of the Council's risk management processes and contributing to their improvement.
- Assisting in the maintenance and development of an effective control environment by providing robust independent assurance over its operation.

Management

4.2 Management is responsible for the establishment and maintenance of adequate control systems and ensuring that recommendations for improvement are implemented effectively in a timely manner.

Audit Panel

4.3 The Audit Panel is responsible for:

- Approving, but not directing, Internal Audit's Strategy and Audit Plan.
- Monitoring the performance of Internal Audit.
- Reviewing Internal Audit outcomes and seeking assurance that action has been taken where necessary.
- Receiving and considering the Head of Assurance's annual report.

Fraud Prevention and Detection

4.4 The primary responsibility for the prevention and detection of fraud rests with management. Management should report all irregularities in line with the Council's Counter Fraud Policy and Strategy.

4.5 It is not the role or responsibility of Internal Audit to detect fraud. However, Internal Audit will evaluate the potential for the occurrence of fraud in audit assignments, and review how the Council manages the risk of fraud.

4.6 The Counter Fraud Team will risk assess and investigate allegations and referrals, and complete proactive work to prevent and detect fraud.

5. THE PLANNING PROCESS

5.1 As part of the planning process, it is important to ensure that resources are effectively focussed, and the planning process has included reference to:

- Strategic Risk Register;
- Corporate Plan Priorities;
- Senior management's views on risk in their areas of responsibility;
- Key systems where there is materiality due to high financial value or number of transactions;
- Known previous areas of weakness;
- Areas affected by significant change in structure, legislation, system or process;
- Areas that relate to the savings programme and planned efficiencies; and
- National and local intelligence with audit colleagues, regulatory and professional bodies.

5.2 It is important for consultation to take place on the Audit Plan. Consultation has taken place with the following:

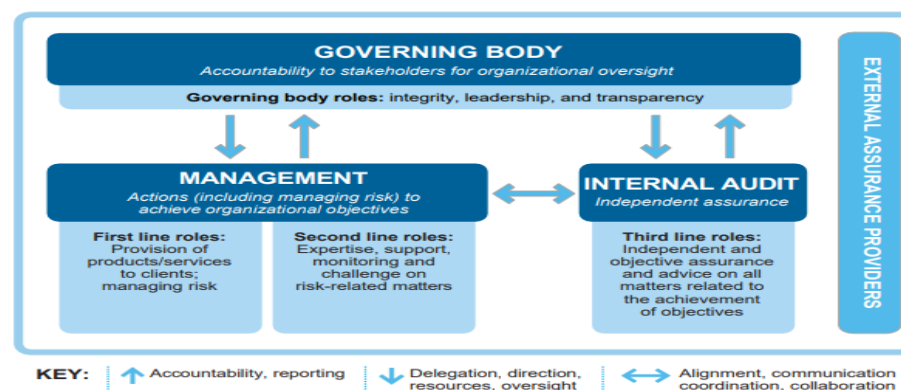
- Directors
- Chief Executive
- GMPF Assistant Directors
- Assistant Directors Delivery Group
- Single Leadership Team
- External Audit
- Chair of the Audit Panel

5.3 The Audit Plan is based on the Institute of Internal Auditors (IIA) three lines model of assurance.

5.4 This model ensures focus on key risk when developing plans.

5.5 Internal Audit seeks to identify assurances provided through the first and second lines and select the most appropriate method of obtaining assurance to support the Head of Assurance's annual opinion. This also aligns to the Council's approach to Risk Management.

The IIA's Three Lines Model

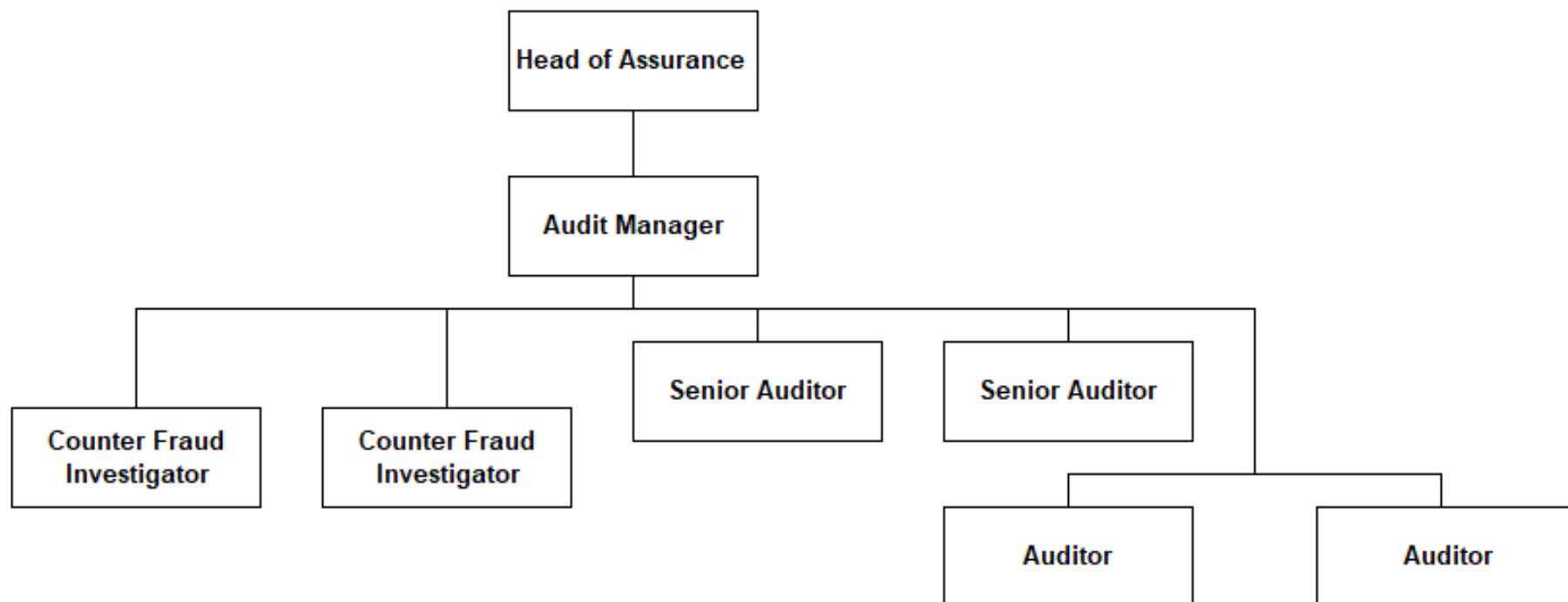


6. RESOURCING OF INTERNAL AUDIT AND COUNTER FRAUD

6.1 Internal Audit forms part of the wider Assurance Service, which is led by the Head of Assurance. The Assurance Service includes the following areas:

- Internal Audit and Counter Fraud
- Risk, Insurance, and Information Governance
- National Anti-Fraud Network (NAFN)

6.2 The current structure of the Internal Audit and Counter Fraud is:



6.3 For the completion of Internal Audit assignments, the resources available are outlined overleaf:

APPENDIX 1

Post	Available Days	Overheads	Management	Carry Forward	Net Audit Days
Audit Manager	229	63	93	10	63
Senior Auditor *	237	64	0	10	168
Senior Auditor	261	63	0	10	188
Auditor **	190	28	0	10	152
Auditor	261	63	0	10	188
Total Net Audit Days					759
Plus Salford Internal Audit Services					45
Total Available Audit Days					804

Notes:

- The Audit Managers time has been adjusted to provide an allowance for Counter Fraud work.
- * One Senior Auditors time has been adjusted for the 20% apprentice requirement for off the job training.
- ** One Auditors time has been adjusted as they are term time only, with overheads reduced to remove the annual leave requirement.
- Overheads include annual leave, bank holidays, training, continuous improvement, and admin.
- Management includes planning, supervision, quality assurance, performance, reporting, attendance at meetings, strategies, policies and procedures, and standards assessment.
- Carry forward is an allowance for the completion of previous years' work.

6.4 As part of business continuity and the delivery of specialist audits, there are two commissioned co-sourced arrangements that support the uninterrupted delivery of the proposed audit plan. These are provided by South West Audit Partnership (SWAP) Ltd and Salford Internal Audit Services for technical IT audits.

6.5 The resources available for Counter Fraud work are:

Post	Available Days	Overheads	Net Faud Days
Audit Manager	32	n/a	32
Counter Fraud Investigator	261	64	197
Counter Fraud Investigator	261	63	198
Total Available Counter Fraud Days			427

6.6 The Assurance Service is currently undergoing a Service Review (expected to be implemented in quarter two of 2024/25) to assess existing resources and ensure they are aligned for all the services provided, and as such the resources for Internal Audit and Counter Fraud may change during 2024/25. The Audit Plan will be re-assessed when the Service Review has been completed.

7. THE AUDIT PLAN

- 7.1 The Audit Plan has been developed in line with the planning process detailed in section 5. The Audit Plan aims to ensure appropriate coverage of the Strategic Risks and support the delivery of the Council's priorities which are documented in **Appendix C**. This includes Internal Audit work completed in 2023/24 in relation to the Strategic Risks to demonstrate where audit work has already been completed, and where there are any gaps.

Plan Agility and Flexibility

- 7.2 Internal Audit has an important role in providing critical assurance and helping to advise senior management and the Audit Panel on a changing risk and controls landscape.
- 7.3 To comply with the PSIAS and to respond to the changing landscape, Internal Audit needs to be able to adapt and be proactive, prepared, and informed as to regulatory and Government announcements that could affect the Council's and GMPF's business.
- 7.4 As such, the Audit Plan is a flexible document which will be reviewed and amended throughout the year to ensure that its content reflects new and emerging risks and priorities. Therefore, whilst audit reviews are proposed, these proposals will be subject to regular review and changes applied where appropriate, with consultation with senior management and the Chair of the Audit Panel. The Audit Panel will be provided with regular updates on any significant changes to the Audit Plan, and the reasons for the changes.
- 7.5 Requests from Directors to defer or remove audit reviews from the Audit Plan will need to be approved by the Head of Assurance and the Director of Resources as S151 Officer.

Resource Allocation

- 7.6 Internal Audit place the focus on outcomes rather than time management with each auditor being allocated a portfolio of audits and given responsibility (with the support of their manager) to deliver those assignments by a target date.
- 7.7 The use of audit days is purely for annual planning purposes.

Proposed Programme of Work for 2024/25

APPENDIX 1

7.8 The proposed programme of Work for 2024/25 (the Audit Plan) is contained at **Appendix A** and is based on the available resources as outlined in this document. As detailed above, consultation will be ongoing throughout the year, and therefore the proposed assignments are likely to change.

7.9 Detailed Terms of Reference will be agreed with auditees, including senior management, prior to each audit assignment commencing.

8. COLLABORATION

8.1 The Head of Assurance participates in the North West Chief Audit Executives Group, which meets regularly and acts as a discussion group on various local and national developments affecting Internal Audit. The group also has several sub-groups on specific areas relevant to the work of Internal Audit and Counter Fraud, for sharing best practice and learning from colleagues.

8.2 When beneficial and practical, audit work may be undertaken with other partner authorities. The benefits of participation should increase assurances available for all partners, to develop strong working relationships and to provide positive learning experiences.

9. ARRANGEMENTS FOR REPORTING INTERNAL AUDIT WORK

9.1 At the conclusion of each audit assignment, a draft report is issued to the manager responsible for the audit area. Once responses have been received and agreed, a final report is issued to:

- The Chief Executive
- The Director of Resources (S151 Officer)
- The Director and Assistant Director responsible for the audit area
- Finance Business Partner
- Executive Member
- The Council's External Auditor

9.2 Each report includes an overall assurance rating and any recommendations made are graded in terms of priorities. The Assurance Recommendations and Classifications are detailed in **Appendix B**.

9.3 Internal Audit reviews quality and improvement in line with the Quality Assurance & Improvement Programme, presented alongside this Strategy and Plan. The outcomes of activity are included in progress reports and the annual report.

APPENDIX 1

- 9.4 Throughout the year, regular progress reports are presented to the Audit Panel summarising the outcomes of work completed, and any significant matters identified.
- 9.5 An annual report is presented to the Audit Panel, which includes the Head of Assurance's overall opinion on the Council's governance, risks management and control environment. The opinion forms one source of assurance in support of the Council's Annual Governance Statement (AGS). The opinion is based on the findings from the work of Internal Audit completed during the year, and other sources of assurance received by the Council, such as external regulators.

PROPOSED PROGRAMME OF WORK FOR 2024/25 (THE AUDIT PLAN)

Tameside Internal Audit Plan

Audit Theme / Area This is based on the current risk assessment and will be subject to review and amendment due to changing priorities.	Drivers Strategic Risks and Corporate Priorities	Context The detailed scope of any areas subject to review will be determined when preparing for the individual audit assignment.
Core Financial Systems		
<ul style="list-style-type: none"> • Payroll • Accounts Payable • Income • Accounts Receivable • Council Tax • Business Rates • Benefits • Treasury Management • Capital Programme • Medium Term Financial Plan • Budgetary Control • General Ledger 	SR1	To provide an opinion on the adequacy and effectiveness of controls in place to mitigate key risks. Reviews will evaluate and test the effectiveness of the key controls within core financial systems, including the management of the risk of fraud and error, and the potential for material misstatement in the financial statements. The reviews completed will either be a detailed audit review or a short walk through of key controls, based on a risk assessment and previous Internal Audit work completed. The reviews will contribute to assurance for GMPF.
Key Risks and Priorities		
Adults: <ul style="list-style-type: none"> • Assessment Process • Quality Assurance Framework • Direct Payments • Demand Management 	SR1 SR2 SR3 SR4 CP8	Outcome from reviewing key risk areas. Outcome from reviewing key departmental and service risk areas. Arrangements for key service delivery areas, reviewing performance management and achievement of outcomes.
Childrens: <ul style="list-style-type: none"> • Demand Management • Children's Improvement Plan • Adoption and Fostering Payments • Delivering Better Value • SEND • Social Care and Residential Placements 	SR1 SR2 SR3 SR6 CP3	Outcome from reviewing key risk areas. Outcome from reviewing key departmental and service risk areas. Arrangements for key service delivery areas, reviewing performance management and achievement of outcomes.

Audit Theme / Area This is based on the current risk assessment and will be subject to review and amendment due to changing priorities.	Drivers Strategic Risks and Corporate Priorities	Context The detailed scope of any areas subject to review will be determined when preparing for the individual audit assignment.
Place: <ul style="list-style-type: none"> Homelessness Strategy Regeneration and Growth Climate Change 	SR8 SR10 SR12 CP5 CP6	Outcome from reviewing key risk areas. Provision for assurance on arrangements for key service delivery areas, reviewing performance management and the achievement of outcomes, and delivery of key projects and strategies.
Population Health: <ul style="list-style-type: none"> Health Protection Sexual Health 	SR2 SR6	Outcome from reviewing key risk areas. Outcome from reviewing key departmental and service risk areas. Arrangements for key service delivery areas, reviewing performance management and achievement of outcomes.
Governance and Cross-Cutting: <ul style="list-style-type: none"> Performance Management Transformation Financial Management Contract Management Use of Cash and Cards Grant Funding Emergency Planning 	SR1 SR4 SR9 SR11	Outcome from reviewing key risk areas for key corporate and cross-cutting services. Provision of assurance on the effectiveness of the Council's internal control and governance arrangements in respect of these arrangements.
ICT and Information Governance		
<ul style="list-style-type: none"> TBC following completion of 2023/24 Cyber Data Protection Accountability Records Management Information Requests 	SR5	To provide an opinion on the adequacy and effectiveness of controls in place to mitigate key risks. Provision of assurance on the effectiveness of the Council's internal control and governance arrangements in respect of these arrangements. Compliance with legislation.
Schools and Education		
<ul style="list-style-type: none"> Primary Schools Secondary Schools 	SR3 SR4 CP1 CP2	Completion of the school audit programme for a sample of schools taking into consideration the School's Financial Value Standards and a risk assessment of each individual school.
Other Activity		
Grant Certifications	SR1	Assurance work on grants requiring sign off by the Head of Assurance

Audit Theme / Area This is based on the current risk assessment and will be subject to review and amendment due to changing priorities.	Drivers Strategic Risks and Corporate Priorities	Context The detailed scope of any areas subject to review will be determined when preparing for the individual audit assignment.
Systems Development	n/a	Consultancy and advisory role to be undertaken where key systems development work is ongoing
Recommendation Tracking	n/a	Monthly reporting with Directorates, Schools and GMPF
Formal Follow Up Reviews	n/a	Formal follow up work of high-risk areas
Contingency	n/a	Including investigation into irregularity, advice, guidance, and consultancy

GMPF Internal Audit Plan

Audit Theme / Area This is based on the current risk assessment and will be subject to review and amendment due to changing priorities.	Drivers GMPF Risks	Context The detailed scope of any areas subject to review will be determined when preparing for the individual audit assignment.
ICT and Digital	45/46	Work to be determine following completion of the 2023/24 cyber review
Employer Audits	Various	Standard audit programme on a number of employers on a risk basis
Treasury Management	13	Assurance opinion on adequacy of arrangement following planned changes
Core Financial Systems	48-54	To be completed alongside Tameside core financial system audits
Data Protection	35	To be completed alongside Tameside data protection audits
McCloud	21	Review to provide assurance regarding implementation
Northern LGPS Collaborative Work	Various	Partnership with Merseyside and West Yorkshire Pension Funds

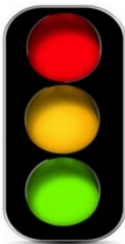
Counter Fraud Plan

Counter Fraud Theme / Area	Drivers	Context
National Fraud Initiative (NFI)	SR1	Statutory requirement responding to data matches of potentially fraudulent activity
Proactive Counter Fraud Work	SR1	Counter Fraud Policy and Strategy review Counter Fraud training, development of a mandatory e-learning module for all staff as well as bespoke briefings Based on a risk assessment, completion of proactive Counter Fraud reviews to assess fraud controls and potentially detect fraudulent activity

Counter Fraud Theme / Area	Drivers	Context
Reactive Counter Fraud Work	SR1	Risk assessment of receipt of allegations to determine action to be in line with the Counter Fraud Strategy

ASSURANCE AND RECOMMENDATION CLASSIFICATIONS

Overall Audit Assurance Opinion	Definition
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Priority	Definition
	High Priority Recommendation Representing a fundamental control weakness which exposes the organisation to a high degree of unnecessary risk.
	Medium Priority Recommendation Representing a significant control weakness which exposes the organisation to a moderate degree of unnecessary risk.
	Low Priority (housekeeping) Recommendation Highlighted opportunities to implement a good or better practice, to add value, improve efficiency or further reduce the organisation's exposure to risk.

STRATEGIC RISKS

Risk No.	Risk Title	Residual Risk Rating	2023/24 Internal Audit Work / External Regulator
SR1	Financial Resilience	20	Budgetary Control, Budget Challenge, Medium Term Financial Planning, Direct Payments
SR2	Capacity of the Workforce	16	Commissioning, Strategic Procurement, Recruitment and Retention, Agency Workers
SR3	Safeguarding Adults and Children	16	Schools, Ofsted Inspection
SR4	Poor Performance and Improvement Plans	16	Schools, Ofsted Inspection
SR5	Cyber Security	16	Cyber Security, PCI Compliance
SR6	Wider Socio Economic Environment	15	Major Programmes
SR7	Health & Social Care Reform	12	Health & Social Care Reform
SR8	Inability to Drive Growth	12	Major Programmes
SR9	Key Supplier / Partner Failure	8	Adults Contract Commissioning
SR10	Housing Supply	8	Major Programmes
SR11	Resilience	8	None
SR12	Climate Change	8	None

CORPORATE PRIORITIES

