

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Audit, Risk and Scrutiny Committee
<b>DATE</b>	22 February 2022
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Internal Audit Plan 2022-2025
<b>REPORT NUMBER</b>	IA/22/003
<b>DIRECTOR</b>	N/A
<b>REPORT AUTHOR</b>	Jamie Dale, Chief Internal Auditor
<b>TERMS OF REFERENCE</b>	2.1

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval of the attached Internal Audit plan for 2022-2025.

### 2. RECOMMENDATION

It is recommended that the Committee:

- 2.1 Approve the attached Internal Audit Plan for 2022-2025; and
- 2.2 Delegate authority for the Chief Internal Auditor to bring forward or defer audits between years within the plan duration, as they deem appropriate and following consultation with the relevant Chief Officer, with updates presented to the subsequent Committee.

### 3. BACKGROUND/MAIN ISSUES

#### Reason for reporting

- 3.1 It is one of the functions of the Audit, Risk and Scrutiny Committee to review the activities of the Internal Audit function, including the approval of the Internal Audit Plan. The proposed plan for 2022-2025 is attached at Appendix B, along with the Aberdeen City Integration Joint Board (Appendix C) and North East of Scotland Pension Fund (Appendix D) for information.
- 3.2 All audits included in the attached plan, as well as those in future plans, will help inform Internal Audit's opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control, which is expressed in an annual report, and provide assurance to the Audit, Risk and Scrutiny Committee. Where opportunities for improvement in controls and their application, or improvements in value for money, are

identified these will be reported along with recommendations for management to consider.

### **Plan development**

- 3.3 When the shared Internal Audit Service was introduced between Aberdeenshire and Aberdeen City councils it was planned to have rolling three-year plans, with those of both councils linked as far as possible to improve efficiency and help share best practice. This has not, at present, been possible to achieve fully. The councils have different risk profiles and assurance needs (although Internal Audit needs to gain its own assurances to complete its annual report). This means that, although similar services are being provided, the timing and content of reviews often varies. However, it is still possible to draw on and share best practice where this is identified, and this is a priority of our work.
- 3.4 In previous years, as agreed with the Audit, Risk and Scrutiny Committee on 26 June 2018, a single-year Plan has been set out for the Committee's approval. This provided clarity over planned work during each financial year, as changes in the risk environment were often less pronounced over a shorter period. However, this provided less opportunity for the Committee to gain an understanding of the wider context or 'audit universe'. In addition, the Plan was regularly not concluded in full during the financial year to which it originally referred – due to changes in priority, risks, and resources.
- 3.5 There is therefore scope to develop and extend planning to provide a clearer picture of Internal Audit's work and priorities, and to provide flexibility in timing of elements of that work, over an extended period. Therefore, for 2022-2025, a three-year Plan has been set out in Appendix B; this includes rationale for selection and prioritisation.
- 3.6 During the planning process, Internal Audit reviewed the Council's approved risk registers, considered the Council's Risk Appetite, and consulted with the Risk Board and Extended Corporate Management Team to ensure that areas which Officers consider to be of risk to their business operations are considered for inclusion in the plan. These considerations, and those detailed in Appendix A, have resulted in a draft Internal Audit plan being produced (Appendix B).
- 3.7 The plan details what Internal Audit anticipates being able to review in the year, assuming stability in resources available to the Section. The plan is flexible and can be amended to reflect changes in priority or because of new risks being introduced or identified, although consideration needs to be given to the requirement for Internal Audit to complete sufficient work to provide an evidence based annual opinion. Internal Audit will continue to review the Council's risk registers and update its own risk assessments based on audit findings, throughout the Plan's term.
- 3.8 All audits included in the attached plan are part of a rolling programme of work, each element of which will help inform Internal Audit regarding the adequacy and effectiveness of the Council's framework of governance, risk management and control, allowing assurance to be provided regarding those arrangements. Where opportunities for improvement in controls and

their application, or improvements in value for money, are identified these will be reported along with recommendations for management to consider.

- 3.9 The time allocation for all audits assumes that systems to be reviewed are adequately documented, detailing the controls put in place by management, and that testing identifies that these controls are being complied with. If this is not the case, there will be an impact on the time taken to review planned areas and on the plan's achievability.
- 3.10 The Plan also includes time set aside to assist services in developing their controls and approach to improving compliance. This reflects continuing development of a more proactive value-added approach by Internal Audit, to supplement the more traditional core compliance-oriented audit work. For these elements of the Plan, subject to the caveat in paragraph 3.15 below, there will not be a separate Internal Audit report to the Audit Risk and Scrutiny Committee. Highlights from this work will however be provided as part of the regular Internal Audit progress reports provided to the Committee.
- 3.11 During the drafting of the plan, it has been considered whether progress with the 2021/22 Internal Audit Plan will impact on the resources available for 2022-2025. Internal Audit progress reports to the Audit, Risk and Scrutiny Committee during 2021/22 have stated that there have been delays with progressing work for a variety of reasons. However, due to the fluid nature of the Plan, and other sources of assurance, this has not had a significant impact on the level of assurance. Time has been included in the 2022-2025 plan for the conclusion of this work.
- 3.12 To provide an appropriate level of flexibility and agility to respond to changes in priorities, risks, and resources, it is requested that the Committee delegate authority to the Chief Internal Auditor to bring forward or defer audits between years within the overall Plan duration as they see fit. Changes will be reported as part of progress updates to the Risk Board and the Audit, Risk and Scrutiny Committee. In advance of the 2023/24 financial year commencing a refreshed 2023-2026 Internal Audit Plan will be brought to the Committee for its full consideration and approval. At this meeting the Chief Internal Auditor may propose changes to the audit plan for what is currently years 2 and 3 to better reflect the Council's risk profile at that date. Further consideration would also be given to the number of audits proposed to be carried out.
- 3.13 With approval of the plan, we will work with individual directorates and services to schedule the audit work for the year. This will look to match our internal resourcing but also ensure that it is suitable for those relevant stakeholders across the Council. We will look to ensure that services are not inundated with consecutive audits and that fieldwork, where most input is required, is at a time which does not clash with other priorities or commitments. This approach has meant that we won't present to the Committee when at this stage, or through the Committee Business Planner, we expect each audit to be reported. However, through enhanced engagement at the planning stage and more involvement from the auditee, we hope that this will alleviate some of the delays seen previously and result in more timely completion of planned audit work. When we have

agreed the timings for individual audits within the plan, we will present this to the Committee through the report consultation process.

### **Undertaking planned work**

- 3.14 When commencing each planned audit, Internal Audit contacts the Director and Chief Officer responsible for the area to be reviewed along with any other nominated contact officer. They are reminded of the objective and scope of the review and of how Internal Audit intends to achieve the level of assurance required. Officers are invited to identify any specific aspects of the area to be reviewed that are of particular concern. Once fieldwork has been completed, a draft report is issued to the Director and Chief Officer responsible for the area to be reviewed along with any other nominated contact officer. Prior to issuing the final report, Internal Audit seeks confirmation from the Director involved that they are satisfied with the report and actions agreed to address any identified issues.
- 3.15 Whilst undertaking planned work, it is possible that Internal Audit may identify governance issues that are not within the stated scope of the review being undertaken. Public Sector Internal Audit Standards require that Internal Audit report such instances to those charged with governance. In this respect, Internal Audit's reports may contain issues that appear to be "outwith scope".

### **Resources**

- 3.16 To undertake the attached plan, Internal Audit has an establishment of thirteen posts. The annual budget subject to pay inflation throughout 2022-2025 will provide for a similar level of resource. It is anticipated that this will be split between Aberdeenshire and Aberdeen City Councils on a 2:1 ratio.

## **4. MANAGEMENT COMMENTARY**

- 4.1 Over the duration of this plan, there is the potential for a significant scale of public sector reform through, for example, the proposal for a National Care Service. This proposal alone will create a number of governance changes and significantly impact the Council's control environment. Management therefore welcomes the pro-active approach outlined in section 3.10 which could be applied to supporting the Council adapt to such reform.
- 4.2 The development of a three-year plan is also welcomed. As the previous two years have demonstrated, the Council's risk profile can change rapidly. It is acknowledged that the Chief Internal Auditor would benefit from additional flexibility in carrying forward/deferring audits following consultation with the relevant Chief Officer and to provide updates to committee as appropriate. This will help to ensure that the work of the internal audit team is discharged efficiently and remains risk based. The annual setting of the internal audit plan will also provide an opportunity for committee to re-set the plan for the forthcoming three years. This will provide the opportunity to re-consider the audit areas and the number of audits to be carried out.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 There are no direct financial implications arising from the recommendations

of this report.

**6. LEGAL IMPLICATIONS**

6.1 There are no direct legal implications arising from the recommendations of this report.

**7. MANAGEMENT OF RISK**

7.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. The purpose of this report is to seek approval for the Internal Audit plan

7.2 To ensure a risk-based approach to the Council's Internal Audit activities, reference has been made in compiling the Internal Audit Plan to the Corporate Risk Register and Cluster risk registers, overseen by CMT and Chief Officers respectively. It is acknowledged that these are live documents, from which risks are escalated and de-escalated depending on management's assessment of the effectiveness of controls. It is therefore expected that management will consider that the risks informing the Internal Audit Plan will become more or less significant over the course of the year. When responding to Internal Audit reports, Chief Officers will have reference to relevant risk registers and the Council's Risk Appetite Statement. This is intended to ensure that the management response to each audit is considered by management to be proportionate to risk. This may include Chief Officers proposing not to accept and implement an internal audit recommendation.

**8. OUTCOMES**

8.1 There are no direct impacts, because of this report, in relation to the Council Delivery Plan, or the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place.

8.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council's framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

**9. IMPACT ASSESSMENTS**

Assessment	Outcome
<b>Impact Assessment</b>	An assessment is not required because the reason for this report is to report Internal Audit's progress to Committee. As a result, there will be no differential impact from the proposals in this report, on people with protected characteristics.
<b>Data Protection Impact Assessment</b>	Not required

**10. APPENDICES**

- 10.1 Appendix A – Internal Audit Plan 2022-2025 – Strategy and Risk Assessment.
- 10.2 Appendix B – ACC Internal Audit Plan 2022-2025.
- 10.3 Appendix C – IJB Internal Audit Plan 2022-2025.
- 10.4 Appendix D – NESPF Internal Audit Plan 2022-2025.

**11. REPORT AUTHOR DETAILS**

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## **APPENDIX A**

### **INTERNAL AUDIT PLAN 2022-2025 STRATEGY AND RISK ASSESSMENT**

This document details the process adopted for developing the Internal Audit plan for 2022-2025. It is a requirement of the Public Sector Internal Audit Standards that the Internal Audit plan is based on a risk assessment. Many Internal Audit Sections will define the whole audit universe (all auditable Services or systems) and apply a score against each component for various criteria including the inherent risk in the system, and the quality of management and mitigating controls in place.

Whilst an audit universe has been identified, based on previous work undertaken by Internal Audit in Aberdeenshire and Aberdeen City, to apply scores against various criteria is considered, by Internal Audit, to be too subjective and adds little value to the process.

In developing the plan, consideration was given to the Council's risk registers and Risk Appetite, the Council's Strategic Priorities, and a listing of previous audits undertaken within both Aberdeenshire and Aberdeen City Councils, and the outcome of these. The Chief Executive, Directors, and Chief Officers were invited to provide input to the plan to help ensure that the right areas were targeted for review, and these comments have been reflected in the Plan as appropriate.

Prior to commencing each planned audit, Internal Audit will discuss the area with Service Directors, Chief Officers, and other nominated officers to further develop the scope of the review. However, if areas are identified through testing that fall outwith that scope, which impact on governance, they will still be reported on.

To achieve its strategic priorities and outcomes, the Council allocates its budget to Functions and Clusters and enables service delivery through delegated authority detailed in its governance arrangements.

For Internal Audit to fulfil its objective of providing independent assurance over the Council's framework of governance, risk management and control to those charged with governance (the Audit, Risk and Scrutiny Committee), the internal controls put in place to protect the Council's assets must be evaluated and tested. Taking this into account, along with the contents of the documents detailed above, Internal Audit considers that the main risks to the Council's control environment and achieving its Strategic Priorities and Outcomes relate to the key areas detailed in the following table.

**NOTE:** Internal Audit’s risk assessment based on evaluation of mitigating controls in the following table is based on Internal Audit work undertaken previously. The areas of risk identified are generic in nature and are relevant to the system of control and application thereof, on which Internal Audit bases its annual opinion. These differ from risks detailed in management’s risk registers which focus on more specific risks.

**KEY TO RISK RATING:**

- High            There is a high probability, before mitigating controls are applied, of errors being made which would expose the Council to an unacceptable level of risk which may impact on the Council’s finances and or reputation, and its ability to achieve its Strategic Priorities.
  
- Medium        There is a risk, before mitigating controls are applied, of errors being made which would expose the Council to an element of risk which may impact on the Council’s finances and or reputation, and its ability to achieve its Strategic Priorities.
  
- Low             There is a low probability, before mitigating controls are applied, of errors being made which would expose the Council to an unacceptable level of risk which may impact on the Council’s finances and or reputation, and its ability to achieve its Strategic Priorities.

Key Area	Risk	Internal Audit’s Inherent Risk Assessment Before Mitigating Controls Applied	Internal Audit’s Risk Assessment Based on Evaluation of Mitigating Controls
Corporate Governance	Failure to have arrangements in place that specify the overall control environment and delegated authority across the whole Council.	High	Low
	Failure to comply with the requirements of the corporate governance arrangements including Financial Regulations, the Officers Scheme of Delegation, and other Council Policies.	High	Medium (due to compliance)

Key Area	Risk	Internal Audit's Inherent Risk Assessment Before Mitigating Controls Applied	Internal Audit's Risk Assessment Based on Evaluation of Mitigating Controls
Budget Setting	Failing to ensure that a sustainable budget is set which allows for delivery of a defined service including everything that will be required to deliver that service.	High	Low
Budget Monitoring	Failing to ensure that budgets are monitored with the involvement of Service staff involved in service provision.	Medium	Low
Budget Management	Failing to ensure that budgets are used only for service provision and are not spent because they exist.	Medium	Medium
	Failing to have outcome measures to demonstrate service provision.	Medium	Low
	Failing to achieve Best Value / Value for Money.	High	Medium
Procurement	Failing to comply with procurement legislation.	High	Medium (due to compliance)
Payments	Failing to ensure that the correct suppliers are paid for services or goods supplied.	Low	Low
	Failing to ensure that payment of statutory benefits is controlled in accordance with legislative requirements.	High	Low
Payroll	Failing to ensure that employees are paid their basic pay correctly.	Medium	Low
	Failing to ensure that employees are paid allowances / enhancements correctly.	Medium	Medium (due to compliance)

Key Area	Risk	Internal Audit's Inherent Risk Assessment Before Mitigating Controls Applied	Internal Audit's Risk Assessment Based on Evaluation of Mitigating Controls
Income	Failing to collect statutory income (Council Tax, Business Rates, Housing Rent).	High	Low
	Failing to identify and recover sundry debts due to the Council.	Medium	Medium
	Failing to control cash income received.	Medium	Medium (based on limited testing)
Assets	Failing to ensure that assets are managed, recorded, and protected.	Medium	Medium (based on limited testing)
Bond Governance	Failing to ensure that the Council has appropriate governance arrangements and practice to minimise the risk to the Council.	High	Low
	Failing to ensure compliance with the London Stock Exchange requirements.	High	Low
Cyber Security	Failing to have adequate arrangements in place to safeguard the Council's ongoing business arrangements.	High	Medium (due to dynamic nature of risk)
Health and Safety	Failing to have adequate arrangements in place to safeguard the Council's workforce and clients.	High	Medium
Business Operations	Failing to have appropriate measures in place to ensure that services are provided in accordance with regulatory requirements.	Medium	Medium

## Internal Audit Plan 2022-2025

Having considered the above issues, it has been determined that audits will be developed in the detailed Internal Audit plan to ensure that periodic assurance is provided over the following areas:

- Various aspects of procurement, payroll, and income collection will be reviewed on an annual basis.
- Various aspects of Budget Setting, Monitoring and Management will be covered across all Functions on a rolling basis over a three-year period.
- The main IT systems of the Council (Financial Ledger, Council Tax System, Business Rates, Receivables, Housing Rents, Payroll, Payables, Housing Benefit, Care First, etc) will each be covered once every four to five years.
- Main financial systems (e.g. Treasury Management, Bank Reconciliations, Payment of Housing Benefits / CTR, Housing Rent Collection, Council Tax / Business Rates Billing & Collection) will each be covered once every three to four years.

Audits will be designed to cover specific key areas across Functions / Clusters or the Council, whilst Function / Cluster or location-oriented audits will also be undertaken to test a range of these areas. In doing so, assurance will be gained as to whether controls in place are operationally effective and efficient, and whether they are being complied with. Whilst undertaking audits, Internal Audit will consider opportunities to improve systems and processes, effect change and achieve value for money.

The outcome from all audits will feed into an overall evaluation of the Council's framework of governance, risk management and control, and compliance therewith.

## APPENDIX B

### ABERDEEN CITY COUNCIL INTERNAL AUDIT PLAN 2022-2025

2022/23						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
Recruitment (cf)	To obtain assurance over adherence to the recruitment process, including pre-employment checks and document retention	Customer	High	Key system	Operational	Reputational
Creditors System	To ensure that appropriate control is being exercised over the Creditors System, including contingency planning and disaster recovery, and that interfaces to and from other systems are accurate and properly controlled.	Resources	High	Key system	Operational	
PVG & Disclosure Checks	To ensure that appropriate disclosure checks are being obtained, in advance of employment, as required.	Resources	High	Important process, legal and reputational risks	Compliance	Reputational
Following the Public Pound (cf)	To ensure that there is proper accountability for public funds used in delivering services, irrespective of the means of service delivery	Operations	High	Identified as a high-risk area. Originally planned for 2021-22 and deferred at the request of the Director.	Compliance	Operational

2022/23						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
ALEOs - Performance and Payments	To ensure the Council's commissioning of services through ALEO's demonstrates Best Value.	Commissioning	Medium	Previous findings, revised process now embedded	Strategic	
Contract management	To obtain assurance that adequate contract management arrangements are in place to ensure that costs incurred are appropriate, and associated benefits realised.	Commissioning	Medium	Risks of fraud and Best Value	Operational	Financial
Corporate Health and Safety	To provide assurance that appropriate processes are being employed in managing health and safety at a corporate level.	Commissioning	Medium	Important process, legal, reputation and financial risks	Compliance	Operational
Benefits	To ensure rent allowances, rent rebates and council tax reduction benefits being provided to claimants are supported by appropriate documentary evidence, that the calculation of benefit is accurate, has been properly recorded for subsidy purposes and that evidence in support of claims is adequately verified.	Customer	Medium	Important process	Operational	Financial
Adults with Incapacity (Management of funds)	To ensure that there are clear evidence-based controls in place regarding funds managed on behalf of service users.	HSCP	Medium	Not previously audited, legal, and reputational risks	Financial	Reputational

2022/23						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
Heritage and Historical Assets	To consider whether adequate control is exercised over heritage / historical assets' inventory management.	Operations	Medium	Not previously audited, financial, and reputational risks	Operational	Financial
Vehicle Maintenance Management	To ensure that adequate controls are in place over the vehicle maintenance function.	Operations	Medium	Previous findings; O licence risks	Compliance	Operational
Out of Authority Child Placements	To ensure the system for commencing and reviewing out of authority placements is adequate, effective, and consistently applied.	Operations	Medium	High cost, risk to value	Operational	Reputational
Client transport (cf)	To obtain assurance over procurement, provision, and management of transport for educational and social care needs	Operations	Medium	Important process	Compliance	Operational
Scottish Milk and Healthy Snack Scheme	To obtain assurance that payments under the SMHSS scheme are being appropriately managed and funded.	Operations	Medium	New process	Financial	Reputational
Corporate Asset Management	To ensure resources are allocated appropriately and efficiently following a suitable asset management plan.	Resources	Medium	Not previously audited, financial / best value / fraud risks	Strategic	

2022/23						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
Lease Financing	To ensure that lease financing decisions are based on sound business and financial criteria and that appropriate control is exercised over lease agreements, payments, and record-keeping.	Resources	Medium	Not previously audited, financial / best value risks	Compliance	Operational
Consulting opportunities - to be discussed	To support various opportunities for change, including providing appropriate checks and challenges to ensure risks, governance and internal controls are given timely consideration as part of key change programmes and systems development.	TBC	Low	Transition from assurance to value added where relevant and appropriate to do so	Strategic	

2023/24						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
Cross Service - Procurement Compliance	To obtain assurance that the Council has appropriate arrangements in place, that are being complied with, to ensure compliance with procurement legislation and internal regulations.	Commissioning	High	Previous findings	Compliance	Reputational
Procurement Fraud Controls	To ensure there are robust procedures in place to prevent, detect, and address potential fraud in the procurement process.	Commissioning	High	Not separately tested before. Change of Fraud policy / approach in ACC	Financial	Operational

2023/24						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
Developer Obligations	To ensure that procedures governing Developer Obligations are robust, comply with best practice and proceeds are used for appropriate purposes.	Commissioning	High	Not previously audited, legal, and reputational risks	Financial	Reputational
Council Tax	To ensure that council tax billing and collection arrangements are robust and adequately applied.	Customer	High	Important process	Financial	Operational
Care Management System	To consider whether appropriate control is being exercised over the care management system, including contingency planning, and disaster recovery, and its data input, and that interfaces to and from other systems are accurate and properly controlled.	HSCP	High	New system	Operational	Reputational
Data Protection	To ensure the Council has adequate arrangements in place, that are understood throughout the organisation, to protect the Council's information.	Commissioning	Medium	Important process, legal, reputation and financial risks	Compliance	Reputational
Bond Governance	To ensure arrangements put in place to ensure compliance with the London Stock Exchange requirements and to safeguard the Council's credit rating are adequate and being complied with.	Commissioning	Medium	Important process, legal and financial risks	Compliance	Financial
Housing Rent Collection & Arrears Management	To consider whether rent collection and arrears processes are robust and are being complied with.	Customer	Medium	Key system	Operational	Financial
Equalities	To ensure the Council has taken appropriate steps to embed and monitor its compliance with its equalities duties	Customer	Medium	Not previously audited, reputational risks	Operational	Reputational

<b>2023/24</b>						
<b>Service and Auditable Area</b>	<b>Objective</b>	<b>Lead Function</b>	<b>Priority</b>	<b>Reason for inclusion</b>	<b>ACC Risk Category (Primary)</b>	<b>ACC Risk Category (Secondary)</b>
PREVENT	To ensure the Council has adequate arrangements in place to deliver requirements under the PREVENT duty.	Customer	Medium	Not previously audited, legal, and reputational risks	Strategic	
Pre-School Commissioned Places	To ensure pre-school commissioned places requirements are being delivered and that adequate control is exercised over expenditure.	Operations	Medium	Risks of fraud and Best Value	Strategic	Financial
Environmental Health Income	To consider whether adequate control is exercised over Environmental Health fees and charges income.	Operations	Medium	Not previously audited, legal, and reputational risks	Operational	Financial
Crematorium	To ensure that Crematorium income, expenditure and record management procedures are adequate and effective.	Operations	Medium	Previous findings, reputation risks	Financial	Operational
Roads and Building Maintenance Year End Stock	To obtain assurance that Operations stock count procedures are adequate and stock movements are adequately accounted for.	Operations	Medium	Compliance, fraud, theft, Value for Money	Operational	Financial
Revenue Budget Setting	To review procedures used in setting the Council's revenue budget	Resources	Medium	Key system	Operational	
Social Care Financial Assessments	To obtain assurance that adequate arrangements are in place to undertake social care financial assessments in an accurate and efficient manner, with a focus on Dynamics.	Resources	Medium	Previous findings	Financial	Operational
Financial Ledger System	To ensure financial ledger system controls, business continuity and contingency plans are adequate.	Resources	Medium	Key system	Operational	Financial

2023/24						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
Private sector housing (cf)	To ensure that adequate control is being exercised over income and expenditure.	Customer	Low	Reputational risks	Financial	Reputational
Waste admin (cf)	To obtain assurance over financial administration including payroll, timesheets, and purchasing.	Operations	Low	Largely transactional but important to see all of these in context	Financial	Operational
Land & property title (cf)	To review systems and procedures in place for ensuring that the Council has surety over the Land and Buildings it owns, including title.	Resources	Low	Important process	Operational	Financial
Consulting opportunities - to be discussed	To support various opportunities for change, including providing appropriate checks and challenges to ensure risks, governance and internal controls are given timely consideration as part of key change programmes and systems development.	TBC	Low	Transition from assurance to value added where relevant and appropriate to do so	Strategic	

2024/25						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
Risk Management	To provide assurance over the Council's risk management arrangements.	Commissioning	High	Key system	Operational	Compliance
Contributing to your Care	To obtain assurance that there is a clear social care charging policy and that it is being complied with.	HSCP	High	Previous findings	Financial	Operational

2024/25						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
Carbon Budgeting	To ensure that appropriate arrangements are in place regarding carbon budget setting, monitoring, and reporting.	Resources	High	Reputational, risk management		
Business Rates	To provide assurance over the accuracy of Business Rates billing and robustness of collection arrangements.	Customer	Medium	Key system	Financial	Operational
Car Parking & Bus Lane Enforcement	To ensure that procedures regarding car parking and bus lane income collection and the management of fines are adequate and consistently applied.	Customer	Medium	Low value but high-volume activity; cash handling; reputation risks; administrative complexity; previous findings	Operational	
Complaints Handling	To ensure that the Council's complaints procedure is being complied with and that data generated is used by Services to monitor and improve performance.	Customer	Medium	Not previously audited, reputational risks	Operational	Reputational
Health and Safety SSERC	To consider whether arrangements in place within the Council adequately manage risk responsibility in relation to hazard information, handling and disposal of chemicals, safety in microbiology, material of living origin and routine fume cupboard testing, in educational establishments.	Operations	Medium	Legal / reputational / financial risks	Compliance	Operational

2024/25						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
SEEMIS	To provide assurance that appropriate control is being exercised over the schools and education management information system in view of the perceived criticality of the system and the significant volume of sensitive personal data held.	Operations	Medium	Key system, Previous findings - data protection	Operational	Reputational
Housing Repairs - Voids	To obtain assurance regarding the process for reletting void housing properties and compliance therewith	Operations	Medium	Important process, cost / income control; fraud and reputation risks	Operational	Reputational
Trade Waste	To consider whether adequate control is in place covering trade waste income and expenditure, that appropriate agreements and other paperwork is in place, and that accounting arrangements are robust.	Operations	Medium	Important process, income generation and compliance	Financial	Compliance
Vehicle and Driver Compliance	To obtain assurance that adequate procedures are in place to effectively manage the Council's vehicle and driver records, to comply with licence and insurance requirements.	Operations	Medium	Previous findings - legal and reputation risks, O licence risks	Operational	Compliance
Prevention of Fraud, Bribery and Corruption	To provide assurance that the Council's arrangements for the prevention of fraud, bribery and corruption are adequate and proportionate.	Resources	Medium	New process	Financial	Reputational

2024/25						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
Trusts / common good funds	To consider whether appropriate governance and controls are being applied over the use of Trusts and Common Good Funds.	Resources	Medium	Not previously audited, financial and reputation risk	Operational	Reputational
Value Added Tax	To ensure adequate arrangements are in place to maximise the recovery of VAT and ensure that VAT recovered is adequately supported	Resources	Medium	Reputational / financial	Financial	
Income Management System	To consider whether appropriate control is being exercised over the income management system, including contingency planning and disaster recovery, and that interfaces to and from other systems are accurate and properly controlled.	Resources	Medium	Key system	Financial	Operational
Treasury Management	To ensure the Council's Treasury Management procedures follow best practice and are being complied with.	Resources	Medium	Key system	Operational	
Corporate Landlord Responsibilities	To ensure that the Council has systems in place that provide assurance over compliance with the legal requirements in relation to its Corporate Landlord role for these properties.	Resources	Medium	Important process - statutory obligations	Compliance	Reputational
Travel Costs	To ensure adequate arrangements are in place to secure Best Value over business travel requirements, including compliance with related policy and procedural requirements.	Resources	Medium	Important process, risk rules relaxed or not applied post covid	Compliance	Reputational

2024/25						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
Consulting opportunities - to be discussed	To support various opportunities for change, including providing appropriate checks and challenges to ensure risks, governance and internal controls are given timely consideration as part of key change programmes and systems development.	TBC	Low	Transition from assurance to value added where relevant and appropriate to do so	Strategic	

## APPENDIX C

### ABERDEEN CITY INTEGRATION JOINT BOARD INTERNAL AUDIT PLAN 2022-2025

2022/23						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
IJB Data Sharing	To provide assurance that the IJB has implemented appropriate arrangements over data sharing and information security and that they are being complied with.	IJB	Medium	Important process, legal, reputation and financial risks, shared responsibilities. Opportunity for shared Pan-Grampian audit work with NHSG and Moray.	Agreed. Potential impact on council DP resource	Compliance

2023/24						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
IJB Budget Setting	To ensure that appropriate arrangements are in place regarding IJB budget setting.	IJB	Medium	Key system	Financial	Quality and Innovation Outcomes
IJB Hosted Services	To obtain assurance that the IJB has adequate arrangements in place to monitor the performance of services hosted on its behalf.	IJB	Medium	Risks to delivery of strategic plans and budgets	Commissioned and Hosted Services	Financial

2024/25						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
IJB Budget Monitoring	To ensure that appropriate arrangements are in place regarding IJB budget monitoring and financial reporting.	IJB	Medium	Key system	Financial	Quality and Innovation Outcomes
IJB Asset Management	To ensure the IJB has plans setting out the assets required to deliver its strategic objectives, and processes in place to monitor delivery of the relevant portfolio.	IJB	Medium	Developing area; Impact on strategy	Quality and Innovation Outcomes	Operational

## APPENDIX D

### NORTH EAST SCOTLAND PENSION FUND INTERNAL AUDIT PLAN 2022-2025

<b>2022/23</b>						
<b>Service and Auditable Area</b>	<b>Objective</b>	<b>Lead Function</b>	<b>Priority</b>	<b>Reason for inclusion</b>	<b>ACC Risk Category (Primary)</b>	<b>ACC Risk Category (Secondary)</b>
Pension Fund Governance Arrangements Including Risk Management	To provide assurance over the governance arrangements and procedures in place including risk management and performance management.	Pension Fund	Medium	Key system	Operational	

<b>2023/24</b>						
<b>Service and Auditable Area</b>	<b>Objective</b>	<b>Lead Function</b>	<b>Priority</b>	<b>Reason for inclusion</b>	<b>ACC Risk Category (Primary)</b>	<b>ACC Risk Category (Secondary)</b>
Pensions Investment Strategy	To provide assurance over compliance with the pension fund investment strategy, and the adequacy of controls over management of investments.	Pension Fund	High	Risks of fraud and Best Value, High value transactions, previous audit findings	Strategic	Compliance

2024/25						
Service and Auditable Area	Objective	Lead Function	Priority	Reason for inclusion	ACC Risk Category (Primary)	ACC Risk Category (Secondary)
Pension Fund Payroll	To consider whether arrangements are adequate to start and terminate payments from the pension fund payroll, and to ensure that payments are accurate.	Pension Fund	High	Key system	Financial	Operational