

## Appendix 1: CURRENT PRIORITIES FOR INTERNAL AUDIT WORK

Audit / Activity	Rationale / Comments on progress	Actual / Expected start	Expected finish
<b>Corporate &amp; cross cutting</b>			
<b>Category 1 (do now)</b>			
Procurement cards	Requested by Children's DMT as an area of high risk and spend. Fieldwork underway.	April 2023	August 2023
<b>Category 2 (do next)</b>			
Agency staff	The Council has significant issues with recruitment and retention and subsequent spend on agency staff, particularly within Children's and Adult's Services	August 2023	October 2023
Health and safety	Proper arrangements for managing health and safety risks, and incident management, are essential. This area has not been audited for some time.	September 2023	Q3 2023/24
Procurement	Procurement is a key function of the Council and is high inherent risk.	September 2023	December 2023
<b>Category 3 (do later)</b>			
	These are audits which are under consideration for Q3 onwards:		
Information governance including FoI	Key governance area and weaknesses in relation to responding to FoI Act requests have been identified by EY as part of their annual work.		

Audit / Activity	Rationale / Comments on progress	Actual / Expected start	Expected finish
Savings plans and delivery	The Council has significant budget pressures and has agreed a further set of savings plans. The audit will review progress against these plans and the reasonableness of assumptions made in calculating savings.		
Decision making and Council governance	The Council has had several governance related issues in recent years that have been reviewed by internal audit. We will allocate time to review any emerging issues and to ensure previously agreed actions have been implemented.		
Risk management	This is a key area of governance for the Council and has not been audited for some time.		
Information security	Considered high risk due to external threats and the continuing pace of technological change. The Council has also recently moved into new offices at Fountains Court.		
Corporate complaints	Essential for effective governance. This area has not been audited for some time.		
Project management	Sound project management arrangements are important because it helps every part of the Council run more efficiently and effectively. When done correctly, it enables the leadership team to plan and manage projects so that objectives and deliverables are completed on time and within budget. The Council has several projects in development or underway including Boho X and regeneration projects including the old Southlands Centre, Captain Cook Square, the former Crown site and housing regeneration in Gresham. This audit may include a follow-up of actions relating to Boho X.		
Performance management	A key assurance area reflecting its significant contribution to the achievement of the Council's objectives		

Audit / Activity	Rationale / Comments on progress	Actual / Expected start	Expected finish
<b>Financial / Corporate systems</b>			
<b>Category 1 (do now)</b>			
Council Tax/NNDR	This is a key financial system requiring effective internal controls. Fieldwork is underway.	February 2023	August 2023
Debtors	This is a key financial system requiring effective internal controls. The specification has been agreed and fieldwork is underway.	April 2023	August 2023
Teesside Pension Fund – Administration	This is a key financial system for the Teesside Pension Fund requiring effective internal controls. Planning is underway; there has been a delay in starting the work due to other priorities.	July 2023	September 2023
Main accounting	This is a key financial system requiring effective internal controls.	August 2023	November 2023
Treasury management	Risks have increased in this area due to a number of factors including the tightening of PWLB lending criteria, increases to borrowing rates and ongoing concerns about the stability of some banks and money market funds. Planning has commenced.	August 2023	November 2023
<b>Category 2 (do next)</b>			
Benefits & Council Tax Support	This is a key financial system requiring effective internal controls. This audit will commence following the conclusion of the Council Tax / NNDR audit.	September 2023	December 2023
VAT accounting	This area has not been reviewed for some time.	Q3 2023/24	Q4 2023/24
Teesside Pension Fund – Investments	This is a key financial system for the Pension Fund requiring effective internal controls.	Q3 2023/24	Q4 2023/24

Audit / Activity	Rationale / Comments on progress	Actual / Expected start	Expected finish
<b>Category 3 (do later)</b>			
	These are audits which are under consideration for Q3 onwards:		
Payroll	This is a key financial system requiring effective internal controls.		
Creditors	This is a key financial system requiring effective internal controls.		
<b>ICT</b>			
<b>Category 1 (do now)</b>			
IT business continuity and disaster recovery	This is a key risk area for IT and there have been no recent audits in the area. Fieldwork is now complete.	May 2023	August 2023
IT asset management	There has been no recent audit coverage of this area. It contributes to the maintenance of information security but the risks have increased due to homeworking and the use of mobile assets. This audit will commence following the business continuity audit.	September 2023	December 2023
<b>Category 2 (do next)</b>			
<b>Category 3 (do later)</b>			
	These are audits which are under consideration for Q3 onwards:		
IT Applications	This audit will review the clarity of system ownership for a selection of IT applications. If ownership is not clear, then risks may not be managed effectively.		
Cyber security	Cyber threats are a high risk for all organisations and it's therefore essential that controls are in place to manage the risks they present.		

Audit / Activity	Rationale / Comments on progress	Actual / Expected start	Expected finish
<b>Operational audits</b>			
<b>Category 1 (do now)</b>			
Tees Community Equipment Service	A review of the service along with compliance with financial procedures. Fieldwork is now complete.	October 2022	August 2023
Homecare	A review of homecare payments was identified as an area for audit following other work; we have also identified issues at other Councils. Fieldwork is now complete.	November 2022	August 2023
Regeneration projects	An action from the Boho X audit report was to review the project management of other regeneration projects. This is at the draft report stage (issued 5 July 2023)	January 2023	August 2023
Domestic abuse	The number of domestic abuse-related crimes recorded with the Police has increased by 7.7% in the year to 31 March 2022 according to the Office for National Statistics. It is therefore a priority area for the Council. Fieldwork is currently underway.	May 2023	August 2023
Public health governance	This area has not been reviewed for some time. Fieldwork is ongoing.	May 2023	September 2023
Supporting families	Quarterly review of grant claims. Q1 is complete.	Ongoing	Ongoing
Selective landlord licensing	This has been raised as an area for review by the DMT. Fieldwork is ongoing.	July 2023	October 2023

Audit / Activity	Rationale / Comments on progress	Actual / Expected start	Expected finish
Early years funding	High potential risk due to the volume and value of transactions. No audit work has been undertaken in this area recently.	September 2023	December 2023
Ofsted Improvement Plan	This remains a high risk for the Council and progress is regularly reported to the Executive. We have completed work on the Improvement Plan in the past. We've agreed with DMT that it would be timely to undertake a further review to assess progress.	September 2023	December 2023
Use of residential care	The Council has a significant over-65 population. The audit will review the use of residential care and the decision-making processes.	September 2023	December 2023
<b>Category 2 (do next)</b>			
Youth Justice Service (Turnaround scheme)	The South Tees Youth Justice Service is a multi-agency partnership serving the local authority areas of Middlesbrough and Redcar and Cleveland. The scheme receives funding from central government for early intervention for young people.	Q3 2023/24	Q4 2023/24
Commercial property income	The Council has a portfolio of commercial property which it leases out. This was identified as an area of risk by DMT due to the increasing number of tenants. The audit will review the processes involved to onboard tenants, manage income and undertake debt recovery.	Q3 2023/24	Q4 2023/24
Direct payments	High inherent risk due to potential fraud and the complexity of care packages. The area has not been reviewed for some time.	Q3 2023/24	Q4 2023/24
Continuing healthcare (CHC)	CHC is a key area for adult social care budget management. This includes the pressures caused by hospital discharges.	Q3 2023/24	Q4 2023/24
Social care transitions (Children's to Adult's)	This was identified as a significant risk at DMT due to the pressures on resources, the increasing number and the complexity of the individual cases. This audit may include several different aspects including financial and non-financial.	Q3 2023/24	Q4 2023/24

Audit / Activity	Rationale / Comments on progress	Actual / Expected start	Expected finish
<b>Category 3 (do later)</b>			
	These are audits which are under consideration for Q3 onwards:		
Schools themed audit	We allocate time as part of the audit programme to look at aspects of governance and financial management across schools, as part of a themed audit. Priorities for themed audits will be agreed with officers. One area being considered is management of school exclusions.		
Children's Services demand / budget management	The Council continues to face significant budget pressures within Children's Services. This audit would look at overall arrangements for managing demand for services and costs.		
Housing development	A review of the arrangements to regenerate housing provision in the Council area.		
Regeneration projects (including Captain Cook Square)	The Council has a number of high-profile regeneration projects underway including Captain Cook Square which are of strategic and reputational importance to the Council. Audit work is currently ongoing on regeneration projects, and we will consider further work later in the year.		
Financial assessments (Adult's)	In the context of increasing financial pressure on care services, robust assessments can help the Council to accurately determine charges for care and work within financial constraints. This area has not been reviewed for some time.		
Climate change	Climate change is a Council priority in the Strategic Plan and the Council has a 2-year Green Strategy (2021-2023) with 3 overarching aims including to ensure the Council is a lead authority on environmental issues.		

Audit / Activity	Rationale / Comments on progress	Actual / Expected start	Expected finish
Anti-social behaviour management	Reducing anti-social behaviour (and crime) is a Council priority in the Strategic Plan. We have conducted a recent audit and this audit would follow-up previously agreed actions.		
Homelessness	This is a high risk nationally with 271,000 people recorded as homeless in England. Middlesbrough has the highest rates of homelessness in Teesside according to the charity Shelter.		
Burials (follow-up)	An audit of the burials service was carried out in 2022/23 which resulted in the need for various service improvements being identified. A follow-up review will be due towards the end of 2023/24 or early 2024/25.		
Transporter Bridge (follow-up)	This audit will follow-up the outstanding actions which remain to be implemented in relation to the maintenance of the Transporter Bridge. Implementation will depend on whether the bridge is returned to operational use.		