

**A meeting of the Audit Committee will be held on Tuesday 22 February 2022 at 3pm.**

**This meeting is by remote online access only through the videoconferencing facilities which are available to participants and relevant officers. The joining details have been issued.**

**In the event of connectivity issues, Members are asked to use the *join by phone* number in the Webex invitation and as noted above.**

**Information relating to the recording of meetings can be found at the end of this notice.**

**Please note that this meeting will be live-streamed via You Tube with the exception of any business which is treated as exempt in terms of the Local Government (Scotland) Act 1973 as amended.**

IAIN STRACHAN  
Head of Legal & Democratic Services

**BUSINESS**

1. <b>Apologies, Substitutions and Declarations of Interest</b>	<b>Page</b>
<b>PERFORMANCE MANAGEMENT</b>	
2. <b>Internal Audit Progress Report – 29 November 2021 to 28 January 2022</b> Report by Interim Director Finance and Corporate Governance	p
3. <b>External Audit Action Plans – Current Actions</b> Report by Interim Director Finance and Corporate Governance	p
4. <b>Internal Audit Annual Strategy and Plan 2022-2023</b> Report by Interim Director Finance and Corporate Governance	p
<p><b>The documentation relative to the following item has been treated as exempt information in terms of the Local Government (Scotland) Act 1973 as amended, the nature of the exempt information being that set out in paragraphs 3 &amp; 6 of Part I of Schedule 7(A) of the Act.</b></p>	
<b>PERFORMANCE MANAGEMENT</b>	
5. Appendix relative to Item 2 providing information on special investigations.	p

The report is available publicly on the Council's website and the minute of the meeting will be submitted to the next standing meeting of the Inverclyde Council. The agenda for the meeting of the Inverclyde Council will be available publicly on the Council's website.

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Enquiries to - **Lindsay Carrick** - Tel 01475 712114

**Report To:** Audit Committee **Date:** 22 February 2022  
**Report By:** Interim Director Finance and Corporate Governance **Report No:** AC/04/22/AP/APr  
**Contact Officer:** Andi Priestman **Contact No:** 01475 712251

**Subject: INTERNAL AUDIT PROGRESS REPORT – 29 NOVEMBER 2021 TO 28 JANUARY 2022**

## 1.0 PURPOSE

- 1.1 The purpose of this report is to enable Members to monitor the performance of Internal Audit, to discharge their scrutiny and performance monitoring roles and gain an overview of the overall control environment throughout the Council.
- 1.2 The Monitoring Report from 29 November 2021 to 28 January 2022 is attached as an Appendix 1 Appendix to this report since its content is essential to the understanding of the Council's control environment.

## 2.0 SUMMARY

- 2.1 There was one internal audit report finalised since the last Audit Committee meeting in January 2022:
- Registration Process – Births, Deaths and Marriages

- 2.2 This report contained one issue categorised as follows:

Red	Amber	Green
0	0	1

- 2.3 The fieldwork for the 2021/22 is underway and the status is as follows:

Stage	Number of Reports
Final Report	2
Draft Report	0
Fieldwork Complete	0
Fieldwork in Progress	6
Planning	3
Not started/Deferred	2
<b>Total</b>	<b>13</b>

- 2.4 Due to delays in finalising some audits from the 2020/2021 annual audit plan it is now planned that the audit of Residential Care – Childrens' Services will be carried forward to the 2022/23 annual audit plan. In addition, although planning for the Learning Disabilities Services audit has been undertaken, fieldwork for the audit will now be carried out in 2022/23 as part of the project assurance review of Learning Disabilities.

2.5 In relation to internal audit action plans there were 2 actions due for completion by 31 December 2021 both of which have been reported as completed by management. In addition there were 3 actions which were completed ahead of the agreed deadline. The current status report is attached at Appendix 2. Appendix 2

2.6 The CMT has reviewed and agreed the current status of actions.

### **3.0 RECOMMENDATIONS**

3.1 It is recommended that Members agree to note the progress made by Internal Audit in the period from 29 November 2021 to 28 January 2022.

**Alan Puckrin**  
**Interim Director**  
**Finance and Corporate Governance**

## 4.0 BACKGROUND

- 4.1 In February 2021, the Audit Committee approved the Internal Audit Annual Plan which detailed a programme of activity to be undertaken during 2021-22.
- 4.2 Internal Audit regularly reports findings and action plans to relevant Council Officers and the Audit Committee as part of the annual audit plan. A follow up process is in place to allow follow up of current internal audit actions to be co-ordinated and updated by Internal Audit on a monthly basis with regular reporting to CMT and the Audit Committee.

## 5.0 CURRENT POSITION

- 5.1 There was one internal audit report finalised since the last Audit Committee meeting in January 2022:
- Registration Process – Births, Deaths and Marriages
- 5.2 The fieldwork for the 2021/22 plan is underway and the current status of the plan is as follows:

Stage	Number of Reports
Final Report	2
Draft Report	0
Fieldwork Complete	0
Fieldwork in Progress	6
Planning	3
Not started/Deferred	2
<b>Total</b>	<b>13</b>

- 5.3 Due to delays in finalising some audits from the 2020/2021 annual audit plan it is now planned that the audit of Residential Care – Childrens' Services will be carried forward to the 2022/23 annual audit plan. In addition, although planning for the Learning Disabilities Services audit has been undertaken, fieldwork for the audit will now be carried out in 2022/23 as part of the project assurance review of Learning Disabilities.
- 5.4 In relation to internal audit action plans there were 2 actions due for completion by 31 December 2021 both of which have been reported as completed by management. In addition there were 3 actions which were completed ahead of the agreed deadline. The current status report is attached at Appendix 2.
- 5.5 Section 5 of the action plan status report sets out the number of actions by audit year. There is currently a low number of actions for the audit year 2021/22 due to the fact that a number of 2020/21 audits were carried forward and completed during the first 6 months of 2021/22 which has impacted on the commencement of the 2021/22 audit plan. In relation to the 2021/22 audit plan, two audit reports have been finalised and it is expected that fieldwork for the remainder of the plan will be completed by 30 April 2022. The action plan status report which will be reported to the June Audit Committee will include the full year's action plan reporting.
- 5.6 The CMT has reviewed and agreed the current status of actions.

Appendix 2

## 6.0 IMPLICATIONS

### Finance

6.1 There are no direct financial implications arising from this report.

Financial Implications:

#### One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

#### Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if Applicable)	Other Comments
N/A					

### Legal

6.2 There are no direct legal implications arising from this report.

### Human Resources

6.3 There are no direct HR implications arising from this report.

### 6.4 Equalities

(a) Has an Equality Impact Assessment been carried out?

YES	
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.	
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

X

YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.

NO

**6.5 Repopulation**

There are no direct repopulation implications arising from this report.

**7.0 CONSULTATIONS**

7.1 Relevant officers have been consulted in the preparation of this report.

**8.0 LIST OF BACKGROUND PAPERS**

8.1 File of completed internal audit reports: Available from Andi Priestman, Chief Internal Auditor.



**Audit Committee Report  
Report on Internal Audit Activity from  
29 November 2021 to 28 January 2022**



<b>Section</b>	<b>Contents</b>	<b>Page</b>
1	Audit work undertaken in the period	1-2
2	Summary of main findings from reports issued since previous Audit Committee	2
3	Audit Plan for 2021-2022 – progress to 28 January 2022	3
4	Corporate Fraud Activity	4-5
5	Ad hoc activities undertaken since the previous Audit Committee	6
6	Special Investigations	7

1 Audit work undertaken in the period

Reports issued since last update

1.1 In each audit, one of 4 overall opinions is expressed:

<b>Strong</b>	In our opinion there is a <b>sound</b> system of internal controls designed to ensure that the organisation is able to achieve its objectives.
<b>Satisfactory</b>	In our opinion <b>isolated</b> areas of control weakness were identified which, whilst not systemic, put some organisation objectives at risk.
<b>Requires improvement</b>	In our opinion <b>systemic and/or material</b> control weaknesses were identified such that some organisation objectives are put at significant risk.
<b>Unsatisfactory</b>	In our opinion the control environment was considered <b>inadequate</b> to ensure that the organisation is able to achieve its objectives.

1.2 Detailed findings and recommendations reported to management are currently graded using the following criteria:

<b>Red</b>	<ul style="list-style-type: none"> <li>In our opinion the control environment is insufficient to address the risk and this could impact the Council as a whole.</li> <li>Corrective action must be taken and should start immediately.</li> <li>Overseen to completion by Corporate Management Team.</li> </ul>
<b>Amber</b>	<ul style="list-style-type: none"> <li>In our opinion there are areas of control weakness which we consider to be individually significant but which are unlikely to affect the Council as a whole.</li> <li>Corrective action must be taken (some exceptions may be agreed with IA) within reasonable timeframe.</li> <li>Overseen to completion by Head of Service.</li> </ul>
<b>Green</b>	<ul style="list-style-type: none"> <li>In our opinion the risk area is well controlled or our audit highlighted areas for minor control improvement and/or areas of minor control weakness.</li> <li>Process improvements/efficiencies may be actioned at management discretion in consultation with Internal Audit (IA).</li> <li>Managed by service owner.</li> </ul>

1.3 There was one audit review finalised since the January Audit Committee, which is identified below, together with a summary of the gradings of the issues identified. In Section 2 we have provided a summary of the main findings from the review.

Reports finalised since previous Audit Committee	Grading			Total Number of Issues
	Red	Amber	Green	
Registration Process – Births, Deaths and Marriages	0	0	1	1
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>

**Other activities**

**Risk Management**

- 1.4 Risk Management is the subject of separate reporting to Audit Committee and a full report is submitted separately on an annual basis.

**Internal Audit Action Plan Follow Up**

- 1.5 The current status of Internal Audit Action plans is set out as an attachment at Appendix 2 to this report.

**2 Summary of main findings from reports issued since previous Audit Committee**

- 2.1 We have provided below a summary of the key findings from the final reports issued after 26 November 2021.

**Registration Services – Births, Deaths and Marriages**

- 2.2 The Registration Office aims to provide a customer focused service and manage the registration service in an efficient and effective manner which meets the needs of the citizens of Inverclyde. It is responsible for providing the following services:

- Registration of Births, Deaths and Marriages;
- Marriage & Civic Partnership Ceremonies at the Registration Office;
- Marriage & Civic Partnership Ceremonies at outside venues;
- Citizenship Ceremonies;
- Naming Ceremonies;
- Renewal of Vows Ceremonies; and
- Genealogy Searches.

- 2.3 The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls over the key risks faced by Inverclyde Council in relation to the registration process.

- 2.4 The review focused on the high level processes and procedures in relation to the registration process and concentrated on identified areas of perceived higher risk such as ensuring registration services are carried out in an efficient and effective manner and that adequate arrangements are in place for the security of assets and the storage and maintenance of records. The income received as part of the registration process has been excluded from this review as the income received has already been reviewed in a recent audit of Cash and Banking carried out in 2020/21.

- 2.5 The overall control environment opinion for this audit review was **Strong**. Areas of good practice were identified as follows:

- staff members involved in the registration process have high levels of knowledge and commitment to providing a high quality service; and
- there are robust security measures and procedures in place for the storage and maintenance of registration records.

- 2.6 The review identified 1 GREEN issue which has been addressed by management.

**INVERCLYDE COUNCIL – REPORT ON INTERNAL AUDIT ACTIVITY  
FROM 29 NOVEMBER 2021 TO 28 JANUARY 2022**

**APPENDIX 1**

**3 Audit Plan for 2021/2022 – Progress to 28 January 2022**

Planned Audit Coverage	Not started	Planning	TOR Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report	Report Finalised	Reported to Audit Committee
<b>Risk-Based Reviews</b>								
Learning Disabilities Service – Transitioning to Adult Services		✓	✓	Carried forward to 2022/2023 Audit Plan and planning information will be used to inform the 2022/2023 audit review.				
Trading Standards		✓	✓					
Registration Process – Births, Deaths and Marriages		✓	✓	✓	✓	✓	✓	February 2022
Self-Directed Support		✓	✓	✓				
Residential Care – Childrens' Services	Carried forward to the 2022/23 annual audit plan.							
<b>Limited Scope Financial Reviews</b>								
Insurance		✓	✓	✓	✓	✓	✓	January 2022
<b>Project Assurance Reviews</b>								
Greenock Ocean Terminal (b/f from 2020-21)		✓	✓	✓				
Devolved School Management	Internal Audit has attended a number of meetings of the DSM Working Group and provided advice on the Council's current DSM scheme and implementing the Scottish Government's DSM guidelines for updating the Council's DSM scheme. The draft scheme is currently being reviewed for final feedback.							
<b>Corporate Fraud Reviews</b>								
Employee Expenses – Quarterly Checks	Fieldwork planned for February 2022.							
Client Accounts – Quarterly Checks	Fieldwork planned for February 2022.							
Catering – Quarterly Stock Checks	Fieldwork underway.							
<b>Regularity Audits</b>								
Education CSA		✓	✓	✓				
Corporate Purchase Cards – Quarterly Checks	Fieldwork underway.							
<b>Corporate Governance</b>								
Annual Governance Statement 2020-21	Complete - Input provided by CIA.							
<b>Other Work</b>								
Council Tax Reduction Scheme/Discounts/Exemptions	Checks are carried out to establish the validity of discounts and exemptions – see section 4.							
National Fraud Initiative	Work underway on the 20/21 Exercise – see section 4.							
SPOC Liaison with DWP	Ongoing – see paragraph 4 for detailed activity.							
Covid-19 - Recovery Process – Advice and Assurance	Ongoing – support provided by CIA.							
Inverclyde IJB	40 days allocated to IJB audit plan. Two audits were planned and both are complete.							

**4 Corporate Fraud Activity**

4.1 The undernoted table sets out progress to date on corporate fraud activity in the period 29 November 2021 to 28 January 2022:

<b>National Fraud Initiative Exercise</b>					
In relation to the 2020/2021 Exercise, matches have now been received and a detailed review of matches is now underway by Internal Audit and Services and over 99% of investigations are complete.					
Matches received	Number Investigated	No issues	Fraud	Error	Value of Fraud/Error
<b>Housing Benefit</b>					
45	44	40	2	2	£3,898.14
<b>Blue Badge</b>					
373	372	191	0	181	N/A
<b>Council Tax Reduction Scheme</b>					
659	640	632	6	2	£4,182.39
<b>Procurement</b>					
46	46	46	0	0	£0
<b>Payroll</b>					
49	48	48	0	0	£0
<b>Creditors</b>					
1117	1117	1090	0	27	£73,908.59
<b>VAT</b>					
69	69	69	0	0	£0
<b>Small Business Bonus Scheme</b>					
45	43	41	0	2	£9,576.54
<b>TOTALS</b>					
<b>2403</b>	<b>2379</b>	<b>2157</b>	<b>8</b>	<b>214</b>	<b>£91,565.66</b>
The recheck exercise was refreshed in May 2021 resulting in 5301 matches being received and these are now being progressed by officers.					
Matches received	Number Investigated	No issues	Fraud	Error	Value of Fraud/Error
5301	1387	1360	23	4	£26,898.28
<b>Employee Expenses Quarterly Checks – 2021-2022</b>					
A new Travel and Subsistence policy was approved in September 2019. Checks to ensure ongoing compliance with the policy will be undertaken from February 2022.					
<b>Corporate Purchase Cards Quarterly Checks – 2021-2022</b>					
Quarterly checks are underway. No significant issues have arisen to date.					
<b>Client Money Accounts Quarterly Checks – 2021-2022</b>					
The new policy was introduced in May 2020. Checks to ensure ongoing compliance with the policy will be undertaken from February 2022.					
<b>Catering – Quarterly Stock Checks – 2021-2022</b>					
Stock checks are now underway. No significant issues have arisen to date.					

**4 Corporate Fraud Activity (Continued)**

4.2 The status of NFI cases being reviewed by Corporate Fraud since the last Audit Committee are set out below:

NFI Enquiries					
Number of Enquiries	Fraud Established	No Fraud	Referred to Finance	Referred to External Agency	Ongoing
89	30	13	29	0	17

**4.3 SPOC Liaison 29 November 2021 to 28 January 2022**

DWP Referrals	1 this period	3 to date
LAI EF requests actioned	6 this period	12 to date

**4.4 Whistleblowing/Other Referrals**

Files closed/being investigated since the last Audit Committee are as follows:

File Ref	Description	Status
21-153	Allegation of payment of business grant to ineligible organisation.	Closed – there was no evidence to indicate that the organisation had applied for funding fraudulently. See Section 6 for further information.

4.5 In addition, the status of other enquiries received between 29 November 2021 and 28 January 2022 is as follows:

Blue Badge Enquiries					
Number of Enquiries	Misuse Identified	No misuse	Ongoing		
15	15	0	0		
Council Tax Referrals (Whistleblower/Services)					
Number of Enquiries	Fraud Established	No Fraud	Referred to Finance	Referred to External Agency	Ongoing
2	0	0	0	0	2
Other Enquiries (Services)					
Number of Enquiries	Fraud	No Fraud	Ongoing		
5	0	2	3		

**5 Ad hoc activities undertaken since the previous Audit Committee**

- 5.1 From time to time, management will request the assistance of Internal Audit in certain activities that are in addition to the annual Operational Plan. Examples of such activities include investigations of alleged irregularities, review of changes in system procedures etc.
- 5.2 Contingency has been made available in the Operational Plan for such ad hoc activities. Since the previous Audit Committee, ad hoc activity undertaken in the period is as follows:
- Providing relevant information in relation to FOI requests.
  - Investigations as set out at sections 4.2 to 4.5 of the report.
  - Provision of ongoing advice and support to services.

**INVERCLYDE COUNCIL INTERNAL AUDIT**  
**REPORT TO AUDIT COMMITTEE ON**  
**STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)**  
**AT 31 DECEMBER 2021**

**Summary: Section 1 Summary of Management Actions due for completion by 31/12/2021**

There were 2 actions due for completion by 31 December 2021 both of which have been reported as completed by management.

In addition, three actions have been implemented ahead of the agreed deadline.

**Section 2 Summary of Current Management Actions Plans at 31/12/2021**

At 31 December 2021 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

**Section 3 Current Management Actions at 31/12/2021**

At 31 December 2021 there were 4 current audit action points.

**Section 4 Analysis of Missed Deadlines**

At 31 December 2021 there were 2 audit action points where the agreed deadline had been missed.

**Section 5 Summary of Action Plan Points by Audit Year**



**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
SUMMARY OF MANAGEMENT ACTION PLANS DUE FOR COMPLETION BY 31.12.2021**

**SECTION 1**

<b>Directorate</b>	<b>No. of Actions Due</b>	<b>No. of Actions Completed</b>	<b>Deadline missed Revised date set*</b>	<b>Deadline missed Revised date to be set*</b>
Health and Social Care Partnership (HSCP)				
Education, Communities and Organisational Development				
Environment, Regeneration & Resources	2	2		
<b>Total</b>	<b>2</b>	<b>2</b>		

\* These actions are included in the Analysis of Missed Deadlines – Section 4

In addition, management has provided an update in relation to completion of the undernoted action ahead of the agreed deadline:

<b>Insurance – Limited Scope Finance Review (November 2021)</b>		
<b>Applying the Council's Data Retention Policy to the Figtree Insurance System (Amber)</b> Management will begin a rolling programme of deletion of electronic claim records from Figtree starting with earliest claims.	<b>Principal Accountant (Exchequer)</b>	<b>Commencing from 10.01.2022</b>
<b>Corporate Procurement – Off Contract Spend (October 2020)</b>		
<b>Monitoring and minimising off-contract spend (Amber)</b> Management will examine the extent to which some of the above actions can be automated and also assess the costs and benefits of producing this information. This exercise will include reviewing the role of Designated Procurement Officers in respect of these issues.	<b>Procurement and Building Services Manager</b>	<b>31.03.2022</b>
<b>Refugee Integration Scheme (August 2020)</b>		
<b>Adequacy of information governance and management arrangements (Amber)</b> Management will: <ul style="list-style-type: none"> <li>• develop appropriate data sharing protocols with the Council services and external organisations which the Refugee Integration Team deals with; and</li> <li>• develop a data retention plan for the personal information held by the Refugee Integration Team.</li> </ul>	<b>Service Manager (Children &amp; Families &amp; New Scots Service)</b>	<b>31.03.2022*</b>

**INVERCLYDE COUNCIL INTERNAL AUDIT  
 REPORT TO AUDIT COMMITTEE ON  
 STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
 SUMMARY OF CURRENT MANAGEMENT ACTION PLANS AS AT 31.12.2021**

**SECTION 2**

**CURRENT ACTIONS BY DIRECTORATE**

<b>HSCP</b>	
Due for completion March 2022	2
<b>Total Actions</b>	<b>2</b>
<b>Education, Communities and Organisational Development</b>	
Due for completion August 2022	2
<b>Total Actions</b>	<b>2</b>
<b>Total current actions:</b>	<b>4</b>

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
CURRENT MANAGEMENT ACTIONS AS AT 31.12.2021**

**SECTION 3**

**HSCP**

Action	Owner	Expected Date
<b>Homelessness (August 2021)</b>		
<b>Adequacy of policies and procedures (Amber)</b> Management will: <ul style="list-style-type: none"> <li>• Update the rent management policy and procedures and obtain CMT and committee approval as appropriate;</li> <li>• review the arrangements for implementation and reporting of the Rent Management Policy;</li> <li>• set a date to finalise its review of Homelessness assessment, housing support and case handling procedures; and</li> <li>• ensure that version control is consistently and fully applied to all Homelessness policies and procedures.</li> </ul>	<b>Service Manager (Homelessness and Addictions)</b>	<b>31.03.2022</b>
<b>Compliance with Records Retention and Disposal Policy (Amber)</b> Management will develop a formal plan to organise the annual disposal of homelessness case files which have reached the prescribed retention period, including records which are held electronically.	<b>Service Manager (Homelessness and Addictions)</b>	<b>31.03.2022</b>

**Education, Communities and Organisational Development**

Action	Owner	Expected Date
<b>Education Control Self-Assessment (January 2020)</b>		
<b>Inefficient Use of ICT Systems (Amber)</b> Once the pilot has been completed, the corporate transition will be implemented for the remaining schools.	<b>Head of Education</b>	<b>31.08.2022*</b>
In addition, staff will be given corporate e-mail address access and use of corporate printers.	<b>Head of Education</b>	<b>31.08.2022*</b>

\* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
ANALYSIS OF MISSED DEADLINES**

**SECTION 4**

Report	Action	Original Date	Revised Date	Management Comments
<p><b>Education CSA (January 2020)</b></p>	<p><b>Inefficient Use of ICT Systems (Amber)</b> Once the pilot has been completed, the corporate transition will be implemented for the remaining schools.</p> <p>In addition, staff will be given corporate e-mail address access and use of corporate printers.</p>	<p><b>14.08.20</b></p> <p><b>14.08.20</b></p>	<p><b>31.08.22</b></p> <p><b>31.08.22</b></p>	<p>The pilot exercise was undertaken however the rollout to remaining schools was halted as a result of responding to COVID-19. A revised schedule will be discussed and implemented with ICT which is dependent on Education and ICT having capacity to carry out individual audits of needs in each establishment. This requires full access to the buildings and the current Covid situation is making this more difficult to carry out.</p> <p>As part of the new Education Services digital strategy which was approved by Education Committee in November 2021, alongside the changes that ICT propose in the wider council digital strategy, Education Services will investigate moving away from the current networks to an alternate cloud based approach. Storage of sensitive or more confidential information would hopefully be able to be moved to a secure cloud based approach. A solution using the M365 platform has been identified which will be in place by May 2022. Deployment of the platform will then start with an anticipated completion date of August 2022.</p>

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
SUMMARY OF ACTION PLAN POINTS BY AUDIT YEAR**

**SECTION 5**

The following table sets out the total number of agreed actions raised by audit year together with their completion status as at 31 December 2021.

<b>Audit Year</b>	<b>Total Agreed Actions</b>	<b>Total Actions Completed</b>	<b>Total Current Actions Not Yet Due*</b>		
			<b>Red</b>	<b>Amber</b>	<b>Green</b>
2014/2015	77	77	0	0	0
2015/2016	52	52	0	0	0
2016/2017	66	66	0	0	0
2017/2018	53	49	0	0	4
2018/2019	45	41	0	0	4
2019/2020	43	38	0	2	3
2020/2021	36	26	0	2	8
2021/2022	6	4	0	0	2
<b>Total</b>	<b>378</b>	<b>353</b>	<b>0</b>	<b>4</b>	<b>21</b>

\*This part of the table sets out the total number of current actions not yet due at the date of the follow up report. The AMBER actions are included in Section 3 of the follow up report.

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<b>Report To:</b>	<b>Audit Committee</b>	<b>Date:</b>	<b>22 February 2022</b>
<b>Report By:</b>	<b>Interim Director Finance and Corporate Governance</b>	<b>Report No:</b>	<b>AC/05/22/AP/APr</b>
<b>Contact Officer:</b>	<b>Andi Priestman</b>	<b>Contact No:</b>	<b>01475 712251</b>
<b>Subject:</b>	<b>EXTERNAL AUDIT ACTION PLANS - CURRENT ACTIONS</b>		

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## **1.0 PURPOSE**

1.1 The purpose of this report is to advise Members of the status of current actions from External Audit Action Plans at 31 December 2021.

## **2.0 SUMMARY**

2.1 The Chief Internal Auditor co-ordinates follow up reporting on current actions arising from External Audit Action Plans on a monthly basis with regular reporting to CMT and the Audit Committee.

2.2 There were no actions due for completion since the last Audit Committee meeting in January 2022.

2.3 There are 6 current external audit actions being progressed by officers. These are set out in the status report at Appendix 1.

## **3.0 RECOMMENDATIONS**

3.1 It is recommended that Members note the progress to date in relation to the implementation of external audit actions.

**Alan Puckrin**  
**Interim Director**  
**Finance and Corporate Governance**

#### 4.0 BACKGROUND

- 4.1 External Audit regularly report findings and action plans to relevant Council Officers and the Audit Committee as part of their annual audit plan.
- 4.2 A follow up process is in place to allow follow up of current external audit actions to be co-ordinated and updated by Internal Audit on a monthly basis with regular reporting to CMT and the Audit Committee.

#### 5.0 CURRENT STATUS

- 5.1 The Chief Internal Auditor co-ordinates follow up reporting on current actions arising from External Audit Action Plans on a monthly basis with regular reporting to CMT and the Audit Committee.
- 5.2 There were no actions due for completion since the last Audit Committee meeting in January 2022.
- 5.3 There are 6 current external audit actions being progressed by officers. These are set out in the status report at Appendix 1.
- 5.4 The CMT has reviewed the current status of external audit actions.

#### 6.0 IMPLICATIONS

##### 6.1 Finance

There are no direct financial implications arising from this report.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

##### 6.2 Legal

There are no direct legal implications arising from this report.

##### 6.3 Human Resources

There are no direct HR implications arising from this report.

##### 6.4 Equalities

- (a) Has an Equality Impact Assessment been carried out?

	YES
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

**6.5 Repopulation**

There are no direct repopulation implications arising from this report.

**7.0 CONSULTATIONS**

7.1 Relevant Officers were asked to provide updates to the report as appropriate.

**8.0 BACKGROUND PAPERS**

8.1 External Audit reports. Copies available from Andi Priestman, Chief Internal Auditor.



**INVERCLYDE COUNCIL INTERNAL AUDIT**  
**REPORT TO AUDIT COMMITTEE ON**  
**STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS**  
**AT 31 DECEMBER 2021**

**Summary: Section 1 Summary of Management Actions due for completion by 31/12/2021**

There were no actions due for completion by 31 December 2021.

**Section 2 Summary of Current Management Actions Plans at 31/12/2021**

At 31 December 2021 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

**Section 3 Current Management Actions at 31/12/2021**

At 31 December 2021 there were 6 current audit action points.

**Section 4 Analysis of Missed Deadlines**

At 31 December 2021 there were no audit action points where the agreed deadline has been missed.

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS**

**SUMMARY OF MANAGEMENT ACTION PLANS DUE FOR COMPLETION BY 31.12.2021**

**SECTION 1**

Area	No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	Deadline missed Revised date to be set*	No action proposed
Chief Executive	0				
Environment, Regeneration and Resources	0				
Health and Social Care Partnership (HSCP)	0				
Education and Communities	0				
<b>Total</b>	<b>0</b>				

\* These actions are included in the Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS**

**SUMMARY OF CURRENT MANAGEMENT ACTIONS AS AT 31.12.2021**

**SECTION 2**

**CURRENT ACTIONS BY DIRECTORATE**

<b>Environment, Regeneration and Resources</b>	
Due for completion April 2022	1
Due for completion June 2022	4
Due for completion February 2023	1
<b>Total Actions</b>	<b>6</b>
<b>Total current actions:</b>	<b>6</b>

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS  
CURRENT MANAGEMENT ACTIONS AS AT 31.12.2021**

**SECTION 3**

**Environment, Regeneration and Resources**

<b>Action</b>	<b>Owner</b>	<b>Expected Date</b>
<b>2020/2021 Annual Audit Report (November 2021)</b>		
<b>Detailed Review of Fixed Asset Register</b> A replacement fixed asset register will be developed for use from the 2021/22 Accounts onwards.	<b>Interim Director, Finance and Corporate Governance</b>	<b>30.06.2022</b>
<b>Non-current Asset Valuations</b> The approach of 5 yearly valuations will be reviewed and either a rolling review or indexation will be implemented from the 2021/22 Accounts	<b>Interim Director, Finance and Corporate Governance</b>	<b>30.06.2022</b>
<b>Management Commentary</b> The previously agreed action will be implemented for the 2021/22 Accounts.	<b>Interim Director, Finance and Corporate Governance</b>	<b>30.06.2022</b>
<b>Estimation and Judgement Disclosure</b> The requirements of the Good Practice Note will be included within the 2021//22 Accounts.	<b>Interim Director, Finance and Corporate Governance</b>	<b>30.06.2022</b>
<b>Medium to Long Term Savings</b> The high level savings options largely developed by officers will be refined and discussed with Members as part of the 2023/24 Budget post the May 2022 elections.	<b>Interim Director, Finance and Corporate Governance</b>	<b>28.02.2023</b>
<b>Local Development Plan</b> The draft LDP was submitted for consultation In August 2021 and responses are now being considered before submission to Scottish Ministers for consideration. This is in line with the agreed timescale with adoption not likely to be before April 2022.	<b>Interim Director, Environment and Economic Recovery</b>	<b>30.04.2022</b>

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS  
ANALYSIS OF MISSED DEADLINES**

**SECTION 4**

<b>Report</b>	<b>Action</b>	<b>Original Date</b>	<b>Revised Date</b>	<b>Management Comments</b>
There are no current actions where the original deadline has been missed.				

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<b>Report To:</b>	<b>Audit Committee</b>	<b>Date:</b>	<b>22 February 2022</b>
<b>Report By:</b>	<b>Interim Director Finance and Corporate Governance</b>	<b>Report No:</b>	<b>AC/06/22/AP/APr</b>
<b>Contact Officer:</b>	<b>Andi Priestman</b>	<b>Contact No:</b>	<b>01475 712251</b>
<b>Subject:</b>	<b>INTERNAL AUDIT - ANNUAL STRATEGY AND PLAN 2022-2023</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to present the Internal Audit Annual Strategy and Plan for 2022-2023.

## 2.0 SUMMARY

- 2.1 The Public Sector Internal Audit Standards include the requirement for the Chief Internal Auditor to prepare a risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation's goals.
- 2.2 The Audit Universe contains all areas that have been identified for review and an assessment has been undertaken of the risk relating to each area based on a number of criteria. Account has also been taken of the risks identified in the Council's Corporate, Directorate and Service Risk Registers and risks identified by external scrutiny bodies through the Local Scrutiny Plan.
- 2.3 It is intended that audit work will be focused on areas of greater risk taking into account management's own view of risk and meetings have been held with Directors and Heads of Service as appropriate. Each area has been assessed against a broad range of risk criteria and a risk score has been generated based on probability factors such as current control environment, results of last audit and time since the last audit.
- 2.4 In addition, the annual audit plan includes areas of proactive work in relation to corporate fraud reviews.
- 2.5 Furthermore, to meet the requirements of External Audit, the Annual Plan will include limited scope reviews of financial systems that are not subject to a full scope review or will not be covered in the External Audit Annual Audit Plan to maximise audit coverage and reduce duplication.
- 2.6 The proposed Annual Audit Strategy and Plan for 2022-2023 is attached at Appendix 1. The Plan contains a contingency provision that will be utilised during the year in response to unforeseen work demands that arise eg special investigations and provision of ad hoc advice. Appendix 1
- 2.7 The risk scoring system is maintained on a real-time basis and is altered as circumstances change. Regular reviews of the risk scores allow Internal Audit to address the changing risk exposure of the organisation more effectively and ensure audit effort is focused on those areas identified as higher risk.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that Members approve the Internal Audit Annual Strategy and Plan for 2022-2023.

**Alan Puckrin**  
**Interim Director**  
**Finance and Corporate Governance**

## **4.0 BACKGROUND**

- 4.1 Internal Audit is an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising governance, risk management and control by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 4.2 The requirement for an Internal Audit function derives from local government legislation, including Section 95 of the Local Government (Scotland) Act 1973, which requires authorities to make arrangements for the proper administration of their financial affairs. Proper administration includes Internal Audit.
- 4.3 The Public Sector Internal Audit Standards include the requirement for the Chief Internal Auditor to prepare a risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation's goals.

## **5.0 CURRENT POSITION**

- 5.1 It is intended that audit work will be focused on areas of greater risk taking into account management's own view of risk and meetings have been held with Directors and Heads of Service as appropriate. Each area has been assessed against a broad range of risk criteria and a risk score has been generated based on probability factors such as current control environment, results of last audit and time since the last audit.
- 5.2 Account has also been taken of the risks identified in the Council's Corporate, Directorate and Service Risk Registers and risks identified by external scrutiny bodies through the Local Scrutiny Plan.
- 5.3 Outlined below are the current risk factors influencing our proposed audit coverage for 2022-2023:
  - The Council has a number of residential care homes run by Children's Services which provide a safe, supportive and homely environment to young people to enable them to develop physically, emotionally and socially in order that they are able to live as independent adults who make a positive contribution to society. Internal Audit will review the adequacy and effectiveness of governance, risk management and internal control procedures in relation to residential care homes within Children's Services.
  - Key projects are underway within HSCP including Learning Disability Hub and SWIFT Replacement System. Internal Audit will provide advice and audit support to the projects during implementation phase to ensure governance, risk management and controls are adequate and effective.
  - The Council has a workforce planning framework which includes a workforce plan and succession plan for each service area. Internal Audit will review the adequacy and effectiveness of the framework.
  - The Council has an embedded supplier management process which aims to provide a consistent and effective approach when managing suppliers. Internal Audit will review the adequacy and effectiveness of the supplier management process in place across the Council.
  - Cyber incidents pose an increasing threat to public bodies' management of information, with hacking, ransomware, cyber fraud and accidental information losses all evident throughout the public sector. Good practice guidance has recently been updated by the National Audit Office to reflect the increased prevalence of targeted ransomware, including those which can cause serious disruption to an organisation's operations. Internal Audit will review the Council's arrangements in relation to Cyber Security in accordance with the guidance.
  - In 2021, the Council procured a new system to manage freedom of information requests on a corporate basis. Internal Audit will review the risk management, governance and control processes to ensure that these are adequate and effective.



- 5.4 The proposed Annual Audit Strategy and Plan for 2022-23 is attached at Appendix 1. The Plan contains a contingency provision that will be utilised during the year in response to unforeseen work demands that arise eg special investigations and provision of ad hoc advice. The plan also includes proposed resources for providing Internal Audit support to the Integrated Joint Board.
- 5.5 The risk scoring system is maintained on a real-time basis and is altered as circumstances change. Regular reviews of the risk scores allow Internal Audit to address the changing risk exposure of the organisation more effectively and ensure audit effort is focused on those areas identified as higher risk.

## 6.0 IMPLICATIONS

### Finance

- 6.1 The work required to deliver the Annual Internal Audit Plan will be contained within the existing Internal Audit budget.

#### Financial Implications:

##### One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Internal Audit	Various	2022-2023			

##### Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

### 6.2 Legal

There are no direct legal implications arising from this report.

### 6.3 Human Resources

There are no direct HR implications arising from this report.

### 6.4 Equalities

- (a) Has an Equality Impact Assessment been carried out?

YES	
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

**Repopulation**

6.5 There are no direct repopulation implications arising from this report.

**7.0 CONSULTATIONS**

7.1 Discussions have taken place with Directors and Heads of Service as appropriate in relation to the proposed annual audit plan coverage.

7.2 There will be regular ongoing discussion with External Audit to ensure respective audit plans are reviewed as circumstances change in order to minimise duplication of effort and maximise audit coverage for the Council.

**8.0 LIST OF BACKGROUND PAPERS**

8.1 Internal Audit Annual Plan 2022-2023. Available from Andi Priestman, Chief Internal Auditor.

**INTERNAL AUDIT ANNUAL STRATEGY AND PLAN 2022-2023****1. Introduction**

- 1.1 The Public Sector Internal Audit Standards (PSIAS) set out the requirement for the Chief Internal Auditor to prepare a risk-based audit plan to determine the priorities of the internal audit activity, consistent with the organisation's goals.
- 1.2 The Chief Internal Auditor must review and adjust the plan as necessary in response to changes in the organisation's business, risks, operations and priorities.
- 1.3 The audit plan must incorporate or be linked to a strategic or high-level statement of how the Internal Audit Service will be delivered and developed in accordance with the Internal Audit Charter and how it links to the organisational objectives and priorities.
- 1.4 The strategy shall be reviewed on an annual basis as part of the audit planning process.

**2. Internal Audit Objectives**

- 2.1 The definition of internal auditing is contained within the PSIAS as follows:

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

- 2.2 The primary aim of the Internal Audit Service is to provide assurance services which requires the Chief Internal Auditor to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control.
- 2.3 The Internal Audit Service also provides advisory services, generally at the request of the organisation, with the aim of improving governance, risk management and control and contributing to the overall opinion.
- 2.4 The internal audit service supports the Chief Financial Officer in his role as Section 95 Officer.

**3. Risk Assessment and Audit Planning**

- 3.1 The internal audit approach to annual audit planning is risk-based and all areas which may be subject to audit review are contained within an Audit Universe which is subject to formal review, at least annually.
- 3.2 The risk scoring system is maintained on a real-time basis and is altered as circumstances change. Regular reviews of the risk scores allow Internal Audit to address the changing risk exposure of the organisation more effectively and ensure audit effort is focused on those areas identified as higher risk.

## INTERNAL AUDIT ANNUAL STRATEGY AND PLAN 2022-2023

- 3.3 The Audit Universe is risk assessed each year to determine the Annual Audit Plan and ensure that suitable audit time and resources are devoted to reviewing the more significant areas of risk. Each area within the Audit Universe is assessed for impact against a number of broad risk categories as follows:
- Strategy Risks associated with the setting and achievement of strategic objectives.
  - Economy Risks associated with the economy in which Inverclyde Council operates.
  - Reputation Risks associated with threats to Inverclyde Council's name and standing in the sector.
  - Customer Risks associated with customer relationships.
  - Legal/Regulatory Risks associated with the requirement to comply with a wide range of statute.
  - Financial Risks associated with financial loss or inefficiency.
  - Technology Risks associated with application systems, their integrity, security and development.
  - Management Information Risks associated with the provision of information for decision-making purposes.
  - Human Resources Risks associated with people, eg recruitment, succession, development, motivation and morale etc.
  - Operations Risks associated with the business operating process.
  - Business Continuity/Resilience Risks associated with disaster scenarios which would threaten the continuing operation of Inverclyde Council.
  - Security Risks associated with security over customer and Inverclyde Council's assets.
  - Stakeholder Risks associated with management of stakeholder expectations (eg Government or local communities)
  - Fraud Risks associated with asset misappropriation, corruption and financial statement fraud.
- 3.4 Account has also been taken of the risks identified in the Council's Corporate, Directorate and Service Risk Registers and risks identified by external scrutiny bodies through the Local Scrutiny Plan.
- 3.5 There will be regular ongoing discussion with External Audit to ensure respective audit plans are reviewed as circumstances change in order to minimise duplication of effort and maximise audit coverage for the Council.

**INTERNAL AUDIT ANNUAL STRATEGY AND PLAN 2022-2023****4 Service Delivery**

- 4.1 The provision of the Internal Audit Service is through a directly employed in-house team. The Chief Internal Auditor is provided through a shared service arrangement with West Dunbartonshire Council.
- 4.2 In relation to the total staff days allocated to the 2022-2023 plan, each member of staff completes a resource allocation spreadsheet for the year which is split between annual leave, public holidays, training days, general administration and operational plan days. The combined operational plan is 740 days which will be resourced as follows:

Team Member

Audit Practitioner – 185

Audit Assistant – 185

Senior Corporate Fraud Officer – 185

Corporate Fraud Officer – 185

The Chief Internal Auditor does not directly carry out the assignments included in the annual audit plan but provides the quality review and delivery oversight of the overall plan. As such, no direct time is included within the plan. Where there are any resource issues which may impact on delivery of the plan, this will be reported to Audit Committee at the earliest opportunity.

- 4.3 Given the range and complexity of areas to be reviewed it is important that suitable, qualified, experienced and trained individuals are appointed to internal audit positions. The PSIAS requires that the Chief Internal Auditor must hold a professional qualification such as CMIIA (Chartered Internal Auditor), CCAB or equivalent and be suitably experienced. Any internal auditor posts must also be CMIIA/CCAB or equivalent with previous audit experience.
- 4.4 Internal audit staff members identify training needs as part of an appraisal process and are encouraged to undertake appropriate training, including in-house courses and external seminars as relevant to support their development. All training undertaken is recorded in a personal training record for CPD purposes.
- 4.5 Internal audit staff members require to conform to the Code of Ethics of the professional body of which they are members and to the Code of Ethics included within the PSIAS. An annual declaration is undertaken by staff in relation to specific aspects of the Code.
- 4.6 Following each review, audit reports are issued in draft format to agree the accuracy of findings and agree risk mitigations. Copies of final audit reports are issued to the Director, Head of Service and Service Manager responsible for implementing the agreed action plan. A copy of each final audit report is also provided to External Audit.
- 4.7 The overall opinion of each audit report feeds into the Internal Audit Annual Report and Assurance Statement which is presented to the Audit Committee and is used by the Chief Financial Officer in the preparation of the Annual Governance Statement.

## INTERNAL AUDIT ANNUAL STRATEGY AND PLAN 2022-2023

## 5 Proposed Audit Coverage 2022-2023

- 5.1 The proposed audit coverage is set out in the table below. This includes a range of risk based reviews, limited scope financial reviews and regularity audits.
- 5.2 The Plan contains a contingency provision that will be utilised during the year in response to unforeseen work demands that arise eg special investigations and provision of ad hoc advice.

Audit Area	Service Area	Risk Score	Staff Days
<b>Risk-Based Audit Reviews</b>			
Children's Services – Residential Care (b/f)	HSCP	9102	25
Workforce Planning Arrangements	ECOD	8120	25
Supplier Management	Corporate	7840	30
Cyber Security Arrangements	ERR	6724	30
Freedom of Information Arrangements	Corporate	6642	30
Climate Change – Utilities Management	ERR	5658	25
<b>Total</b>			<b>165</b>
<b>Limited Scope Financial System Reviews</b>			
Debt Recovery	Finance	6486	25
<b>Total</b>			<b>25</b>
<b>Project Assurance Reviews</b>			
Learning Disability Hub	HSCP	9800	25
SWIFT Replacement System Implementation	HSCP	8190	25
<b>Total</b>			<b>50</b>
<b>Corporate Fraud Reviews</b>			
Discretionary Payments	Finance	N/A	20
Client Accounts – Quarterly Checks	HSCP	N/A	20
Catering – Quarterly Stock Checks	ECOD	N/A	10
Education Establishment Placing Requests	ECOD	N/A	15
<b>Total</b>			<b>65</b>
<b>Regularity Audits</b>			
Education – CSA	ECOD	-	30
Corporate Purchase Cards – Quarterly Checks	Corporate	-	20
<b>Total</b>			<b>50</b>
<b>Corporate Governance Reviews</b>			
Annual Governance Statement (2021/2022)	Corporate	-	10
<b>Total</b>			<b>10</b>
<b>Other Work</b>			
Audit follow up	Corporate	-	15
National Fraud Initiative Investigations	Corporate	-	140
National Fraud Initiative 2022 Planning	Corporate	-	30
Other Investigations	Corporate	-	70
SPOC Liaison with DWP	-	-	5
IJB – Internal Audit Service	-	-	40
Contingency	-	-	35
Grant Verification	Roads and Transportation	-	5
C/f from 2021-2022 Audit Plan	-	-	35
<b>Total</b>			<b>375</b>
<b>Total Staff Days</b>			<b>740</b>

## INTERNAL AUDIT ANNUAL STRATEGY AND PLAN 2022-2023

**6 Quality and Performance**

- 6.1 The PSIAS require each Internal Audit Service to maintain an ongoing quality assurance and improvement programme based on an annual self-assessment against the Standards, supplemented at least every five years by a full independent external assessment.
- 6.2 In addition, the performance of Internal Audit continues to be measured against key service targets focussing on quality, efficiency and effectiveness. For 2022-2023 these have been set as follows:

<b>Measure</b>	<b>Description</b>	<b>Target</b>
1. Final Report	Percentage of final reports issued within 2 weeks of draft report.	100%
2. Draft Report	Percentage of draft reports issued within 3 weeks of completion of fieldwork.	90%
3. Audit Plan Delivery	Percentage of audits completed v planned.	85%
4. Audit Budget	Percentage of audits completed within budgeted days.	80%
5. Audit Recommendations	Percentage of audit recommendations agreed.	90%
6. Action Plan Follow Up	Percentage of action plans followed up – Internal and External Audit.	100%
7. Customer Feedback	Percentage of respondents who rated the overall quality of internal audit as satisfactory or above.	100%
8. NFI high and medium matches	Percentage of National Fraud Initiative high and medium matches investigated within timescales.	100%
9. NFI other matches	Percentage of National Fraud Initiative other matches investigated within timescales.	90%
10. DWP liaison	Percentage of cases referred to/ actioned for DWP within DWP timescales.	100%
11. Staff compliance with CPD	Number of training hours undertaken to support CPD	100
12. Management engagement	Number of meetings with CMT and DMTs as appropriate	1 per quarter

- 6.3 Actual performance against targets will be included in the Internal Audit Annual Assurance Report for 2022-2023.