

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer - Resources

Audit Committee: 10 March 2021

Subject: Internal Audit Plan 2021/22

1. Purpose

- 1.1** The purpose of this report is to advise members of the planned programme of work for the Internal Audit Section for the year 2021/22.

2. Recommendations

- 2.1** It is recommended that the Committee approve the Internal Audit Plan for 2021/22.

3. Background

- 3.1** 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.

4. Main Issues

- 4.1** 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 risk registers and risk identified by external scrutiny bodies through the Local Scrutiny Plan.
- 4.2** It is intended that audit work will be focused on areas of greatest risk taking into account management's own view of risk and meetings have been held with Chief Officers 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 last audit.
- 4.3** The audit plan also includes the carry forward of some audits from 20/21 which have been deferred due to service redesigns, staff absence and other factors. Input has been provided during 20/21 to service redesigns as appropriate.
- 4.4** The Audit Plan also includes the activity of the Corporate Fraud team and includes an allocation of days to provide the Internal Audit Service to the WD Integration Joint Board, the WD Leisure Trust and the Valuation Joint Board.

4.5 Internal Audit monitors delivery of the plan continuously during the year using a number of performance indicators. Progress is reported to members on a regular basis.

4.6 Outlined below are the current risk factors influencing our proposed audit coverage for 2021-22:

- Learning Disabilities Services provide a range of support services to adults with learning disabilities. A number of contracts are in place to implement these services and Internal Audit will review the adequacy and effectiveness of the financial monitoring of these contracts;
- Building Services deliver a wide range of services for local communities and customers from depots in Clydebank and Dumbarton to providing a dedicated repairs and maintenance service. Internal Audit will review procedures in place to ensure services provided are effective;
- The Integrated Housing Management System has a number of modules including inventory management. During 2020/21 routine inventory checks did not take place and Internal Audit resource was diverted to supporting stock checks carried out in the final quarter of the financial year. For 21/22 Internal Audit will review the procedures which are in place to ensure that inventory management is adequate and effective;
- As part of the annual audit planning process, corporate procurement is a key risk area that is reviewed each year. For 2021-22 Internal Audit will carry out an audit of supplier management ensure compliance with relevant policies and procedures;
- Clients who require Council funding of their costs within care homes are required to complete financial assessments. It is therefore important to gather accurate and up to date information when calculating the contributions due from clients and the Council. The financial assessment process was subject to a process redesign in 2020/21 to align with the new eligibility criteria. Internal Audit will therefore review the adequacy and effectiveness of the new financial assessment process;
- Occupational Therapy is an important service provided by the HSCP and targets have been set in relation to waiting times for referrals. As a result of COVID-19 this audit was deferred in 2020/21 and therefore Internal Audit will review the adequacy and effectiveness of arrangements in place to ensure targets are achieved during 2021/22;
- A number of key projects are underway within the Council. Internal Audit will carry out a review of the project management arrangements that are in place to ensure these are adequate and effective;
- Overtime is used as a means to manage fluctuations in workloads and staff resources to ensure seamless delivery of services. Internal Audit will

review the adequacy and effectiveness of control procedures in place to manage overtime;

- The council has a vehicle tracking system for fleet vehicles which is a powerful management tool that can provide services with information in relation to vehicle utilisation and management of relevant policies and legal requirements. Internal Audit will carry out a review of the adequacy and effectiveness of the governance, risk management and control procedures surrounding the vehicle tracking system;
- Employees can incur expenditure whilst on official duties away from their normal workplace. The Council has a travel and subsistence policy which sets out the framework in relation to allowable expenditure. Internal Audit will review the adequacy and effectiveness of processes surrounding the management and administration of expense claims incurred by employees; and
- In relation to Covid-19 Recovery, an allocation of staff days has been included within the 21/22 plan which will allow Internal Audit to provide advice and support to services as the Council progresses with recovery planning.

4.6 The draft Audit Strategy and Plan for 2021-22 is included at Appendix 1. Recruitment is underway to fill the two 0.5 FTE vacant posts within the audit team to ensure there are sufficient resources to deliver the planned programme of audit assignments detailed. There are no significant threats to the independence of the internal audit activity, such as inappropriate scope or resource limitations. The Plan contains contingency provision that will be utilised during the year in response to unforeseen work demands that may arise e.g. special investigations and provision of ad hoc advice.

4.7 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.

5. Personnel Implications

5.1 There are no personnel issues with this report.

6. Financial and Procurement Implications

6.1 There are neither financial nor procurement implications arising directly from this report.

7. Risk Analysis

7.1 The Plan has been constructed taking cognisance of the risks associated with major systems. Consultation with relevant Chief Officers has been carried out

to ensure that risks associated with delivering the Council's objectives have been considered.

8. Equalities Impact Assessment (EIA)

8.1 There are no issues.

9. Consultation

9.1 This report has been subject to consultation with appropriate Chief Officers.

10. Strategic Assessment

10.1 This report relates to all five of the Council's Strategic Priorities.

Stephen West
Chief Officer - Resources
Date: 10 March 2021

Person to contact Andi Priestman, Shared Service Manager – Audit & Fraud
Telephone: 01389-737436
Email: andi.priestman@west-dunbarton.gov.uk

Appendix 1: Draft Internal Audit Strategy and Plan 2021/22

Background Papers: None

Wards Affected: All wards