

WEST DUNBARTONSHIRE COUNCIL**Report by Chief Officer - Resources****Audit Committee: 15 June 2022**

Subject: 2022/23 Internal Audit Plan**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 2022/23.

2. Recommendations

- 2.1 It is recommended that the Committee approve the 2022/23 Audit Plan.

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 risks identified by external scrutiny bodies through local scrutiny arrangements.
- 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 2021/22 which were deferred due to staff turnover, staff absence and other factors.
- 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 2022/23:

- 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 provide a dedicated repairs and maintenance service. Internal Audit will review procedures in place to ensure services provided are effective.
- 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 2021/22 and therefore Internal Audit will review the adequacy and effectiveness of arrangements in place to ensure targets are achieved during 2022/23.
- Roads and Neighbourhood provide and maintain the fleet across all Council services. Vehicles and equipment are a critical corporate asset used in the delivery of front line services. Internal Audit will review the adequacy and effectiveness of fleet management and vehicle maintenance arrangements.
- In relation to off payroll working (IR35), public authorities are responsible for checking whether off payroll rules apply to individuals or companies providing services to the organisation. Internal Audit will review the adequacy and effectiveness of arrangements that are in place.
- As soon as a housing application is active, the applicant will be put onto the housing waiting list for the areas and housing types that have been chosen. Internal Audit will review the adequacy and effectiveness of the waiting lists process.
- As part of the annual audit planning process, corporate procurement is a key risk area that is reviewed each year. For 2022/23 Internal Audit will carry out an audit of supplier management ensure compliance with relevant policies and procedures.
- The Parent Pay system is currently being piloted within a number of Education establishments. Internal Audit will review the adequacy and effectiveness of arrangements that are in place during the pilot phase.
- In order to facilitate payment for low value, high volume transactions, Council services use corporate purchase cards. Internal Audit will review the adequacy and effectiveness of arrangements that are in place to ensure compliance with relevant policies and procedures.

- 4.6** The draft 2022/23 Audit Strategy and Plan is included at Appendix 1. 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.

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Date: 15 June 2022

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Appendix 1: Draft 2022/23 Internal Audit Strategy and Plan

Background Papers: None

Wards Affected: All wards