

WEST DUNBARTONSHIRE COUNCIL**Report by Strategic Lead - Resources****Audit Committee: 18 March 2020**

Subject: Internal Audit Plan 2020/21**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 2020/21.

2. Recommendations

- 2.1 It is recommended that the Committee approve the Audit Plan for 2020/21.

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 Strategic Directors and Strategic Leads 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 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.
- 4.4 Internal Audit monitors delivery of the plan continuously during the year using a number of performance indicators. Progress is reported to members twice a year.

4.5 Outlined below are the current risk factors influencing our proposed audit coverage for 2021-21:

- 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.
- The new integrated housing management system has a number of modules including inventory management. 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 2020-21 Internal Audit will carry out an audit of procurement spend up to £50k across the Council to ensure compliance with relevant regulations, policies and procedures.
- Social Work provide a range of services to adults living in care homes who require assistance with shopping, budgeting and benefits. Internal Audit will review the adequacy and effectiveness of client account administration arrangements.
- 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. Internal Audit will review the adequacy and effectiveness of the financial assessment process.
- Core functions of the Homelessness Service include homelessness prevention, client assessment and managing accommodation options. The audit will review the adequacy and effectiveness of the governance, risk management and controls surrounding the key risks in relation to this service.
- Occupational Therapy is an important service provided by the HSCP and targets have been set in relation to waiting times for referrals. Internal Audit will review the adequacy and effectiveness of arrangements in place to ensure targets are achieved.
- Rent from council houses provides a significant income stream for the Council. There are a number of factors which can lead to rent arrears including tenants' income levels, how quickly arrears action is taken and the level of advice offered to tenants and it is therefore important that an effective process is in place in relation to the management of rent arrears. A number of policies and procedures have been implemented to more effectively manage rent arrears and Internal Audit will review the adequacy and effectiveness of these procedures.
- The roads costing system allows officers to monitor the costs incurred in relation to the management and maintenance of the roads network. Internal Audit will review the processes which are in place to analyse and report on costs to ensure that processes are adequacy and effective.
- 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.
- 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.

4.6 The draft Audit Strategy and Plan for 2020-21 is included at Appendix 1. There are sufficient resources to deliver the planned programme of audit assignments detailed and 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 Senior Managers was 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 Strategic Leads.

10. Strategic Assessment

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

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Appendix 1:	Draft Internal Audit Strategy and Plan 2020/21
Background Papers:	None
Wards Affected:	All wards