

WEST DUNBARTONSHIRE COUNCIL**Report by Chief Officer - Resources****Audit Committee: 3 May 2023**

Subject: 2023/24 Internal Audit Annual Strategy and 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 2023/24.

2. Recommendations

- 2.1 It is recommended that the Committee approve the 2023/24 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 the completion of fieldwork for some audits from 2022/23.
- 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 2023/24:

- Learning Disabilities Services provide a range of support services to adults with learning disabilities. A service review is being undertaken and Internal Audit will provide audit advice and support to the project to ensure risks are adequately and effectively managed.
- Local authorities across Scotland have a target to allocate 1% of annual budgets by participatory budgeting processes. In West Dunbartonshire local people already engage in a variety of different ways to influence and direct resources. Internal Audit will review the Council's approach to participatory budgeting to ensure arrangements in place to monitor and report on performance are adequate and effective.
- The Council operates an Attendance Management Policy which is designed to provide support for employees who are ill and to improve attendance levels across the council. Internal Audit will review the adequacy and effectiveness of the attendance management arrangements across the Council.
- Internal Audit will review the process to ensure commercial waste is being collected promptly and efficiently by the council and that all income from commercial waste collection and disposal is properly collected and accounted for.
- Internal Audit will review the adequacy and effectiveness of stock control processes in operation within Facilities Management Cleaning and Catering services
- As part of the annual audit planning process, corporate procurement is a key risk area that is reviewed each year. For 2023/24 Internal Audit will agree the risk areas with Corporate Procurement and carry out an audit to ensure compliance with relevant policies and procedures.
- The UK Government launched the UK Shared Prosperity Fund in April 2022 and West Dunbartonshire Council has been allocated funding over a 3 year period. An assurance framework is being developed for external reporting and Internal Audit will provide advice and support on the relevant governance, risk management and internal control procedures being developed in relation to the assurance framework.
- A project is being undertaken by Roads and Neighbourhood to review the routes used for waste collection. Internal Audit will provide advice and support to the project to ensure routes are optimised for future service delivery.

4.7 The draft 2023/24 Internal 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. The plan also includes a balance of days required to complete audit work from the 2022/23 audit plan.

4.8 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: 31 March 2023

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Appendix 1: Draft 2023/24 Internal Audit Strategy and Plan

Background Papers: None

Wards Affected: All wards