

COMMITTEE	<b>AUDIT COMMITTEE</b>
DATE	<b>9 FEBRUARY 2017</b>
TITLE	<b>DRAFT INTERNAL AUDIT PLAN 2017/18</b>
PURPOSE OF THE REPORT	<b>TO PRESENT THE DRAFT INTERNAL AUDIT PLAN FOR THE YEAR 1 APRIL 2017 – 31 MARCH 2018</b>
AUTHOR	<b>LUNED FÔN JONES – AUDIT MANAGER</b>
ACTION	<b>TO APPROVE THE PLAN IN THE APPENDIX</b>

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## **1. INTRODUCTION**

- 1.1 The draft work plan for Internal Audit for the financial year 2017/18 is presented to the Audit Committee for comment and approval.
- 1.2 This report explains the factors that were considered and the process used to produce the plan that is presented to the Committee.

## **2. INTERNAL AUDIT'S PURPOSE**

- 2.1 The purpose of the Internal Audit service is:

***To give confidence to the citizen and the Council on the Council's control environment and governance arrangements through independent and objective reporting to the Head of Finance and the Audit Committee***

- 2.2 When preparing this plan, therefore, consideration was given to what the service needs to do in order to achieve this purpose.
- 2.3 The Unit only has limited resources; the staffing resource of the Unit is 7 full-time posts. This makes it increasingly important that the service is directing its resources to the right place.
- 2.4 Therefore, in order to ensure that we are reviewing the right things, consideration was first given to the Corporate Risk Register and to departmental risk registers. This is to ensure that the Council's key controls in order to deal with its main risks are addressed. In that regard, we have worked closely with the Insurance and Risk Unit, which as part of their role ensure that these registers are updated regularly.

2.5 The result of this was to prepare an initial draft plan, which has been discussed with each Head of Department (or departmental management team in some cases). This was an opportunity to refine the plan further, before preparing the draft plan that is presented to the Audit Committee.

2.6 During 2017/18, Internal Audit will also give appropriate consideration to the following:

- Ensuring that the service contributes to Ffordd Gwynedd reviews, as the need arises, in order to ensure the success of the Council's culture change.
- Will be aware at all times of the potential occurrence of fraud or corruption. We will therefore take advantage of the National Fraud Initiative, and undertake proactive fraud prevention work.
- Continue to address specific grants, particularly where the conditions of the grant expect an Internal Audit review.

This has been reflected in the plan.

### **3. RESOURCES AVAILABLE**

3.1 It is projected that approximately 880 days of audit resources will be available to complete the 2017/18 audit plan. This is on the basis of analysis of the staffing resources available, including reasonable allowances for “unproductive” work such as holidays, illness, management and meetings and after considering the following provisions:

	2017/18	2016/17
Provision for advising on controls and propriety	55 days	55 days
Provision for responsive work	30 days	65 days
Provision for follow-up	80 days	45 days

3.2 The increase in the provision for follow-up work will ensure that all agreed actions will receive attention rather than only the agreed actions contained in reports that received a ‘C’ opinion.

### **4. RECOMMENDATION**

4.1 The Committee is requested to approve the draft audit plan for the period 1 April 2017 to 31 March 2018.

## DRAFT INTERNAL AUDIT PLAN 2017/18

<b>Audit</b>	<b>Reason</b>	<b>Days</b>
<b>CORPORATE</b>		
Supporting Ffordd Gwynedd Reviews	To provide advice and support to staff and managers on issues regarding risk management and internal control. (A "Ffordd Gwynedd" attitude will be taken towards all Internal Audit work)	20
Proactive Prevention of Fraud and Corruption	Work is to be undertaken to ensure that robust arrangements are in place for dealing with the risks of fraud and corruption.	20
National Fraud Initiative	The Council participates in this initiative, which is run by the Wales Audit Office.	40
IT System Security	A range of audits will be undertaken on specific issues within this area.	30
Safeguarding Arrangements – Ymwybyddiaeth Gweithwyr Maes o'r Polisi	This audit has been commissioned by the Safeguarding Operational Panel. Originally, the audit was planned for 2016/17 but a request was made by the Panel to undertake a review of awareness of employees with an e-mail address so that responses could be compared over three years.	35
Obtaining References	Safeguarding is a high risk area on the corporate risk register and the Safeguarding Children and Adults Policy and the Recruitment and Appointments Policy states the requirement to obtain two references on every occasion. The audit will not encompass verifying references for Schools.	15
Safeguarding Arrangements – Establishments	Provision for conducting "Safeguarding" reviews when visiting establishments.	4
Disposal of Confidential Waste – The Use of Red Sacks and Shredders	Information security is noted on the corporate risk register and the Information Governance Project is in the Strategic Plan.	10
Information Management – Establishments	Provision for conducting "Information Management" reviews when visiting establishments.	6
Culture and Conduct	A review to ascertain whether the workforce demonstrates an understanding	15

<b>Audit</b>	<b>Reason</b>	<b>Days</b>
Awareness of the Whistleblowing Policy	of the organisation's core values and expectations. The results will denote the Council's culture.	15
i-Gwynedd Project	A value for money review.	10
Self-service Travelling Expenses	A review of checks made on travelling expenses paid through self-service.	5

## **EDUCATION**

### ***Resources***

Post-16 provision in Schools Grant	Requirement under the financial terms and conditions.	3
Pupil Deprivation Grant	The PDG has not been incorporated in the Education Improvement Grant; therefore it will be necessary to carry out a separate audit.	10
Education Improvement Grant for Schools	This grant is a combination of several previous grants that were paid by the Welsh Government.	15

### ***GwE***

Business Arrangements	Included at the request of the Interim Managing Director.	20
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### ***Schools***

Awareness of the Whistleblowing Policy – Primary and Secondary	The Council's policy does not incorporate schools.	25
Schools - General	Annual provision for work involving providing advice and support.	10
School Meals Income	A new project in underway to introduce a new method of paying for school meals – which will be introduced in September 2017.	20
Health and Safety – Primary Schools	Health and Safety has been indentified as a risk area in the department's risk register.	25

## **NORTH AND MID WALES TRUNK ROAD AGENCY**

Health and Safety	A review to ensure that adequate checks are conducted.	25
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## **CORPORATE SUPPORT**

### ***Democracy***

Training New Members	Local election will be held in May 2017, and	10
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<b>Audit</b>	<b>Reason</b>	<b>Days</b>
	it is expected that a comprehensive training programme will be established.	
<b>Training</b>		
Learning and Development Integrated System	A new development.	10
<b>FINANCE</b>		
<b>Financial</b>		
Debt Recovery Arrangements and Legal Action	This area has not been addressed by Audit for some time.	15
<b>Accountancy</b>		
Precepts	The last audit was carried out in 2009/10.	5
<b>Revenue</b>		
Benefits – Review of Key Controls	It is expected that the review will be of assistance to the external auditors when conducting their review of the Subsidy claim.	12
Council Tax System - Advantage Digital Portal	A new development which will be introduced in 2017/18.	10
<b>Pensions and Payroll</b>		
Death Grants	The last audit was carried out in 2009/10.	15
Pension Fund	General provision.	15
<b>ECONOMY AND COMMUNITY</b>		
<b>Community Regeneration</b>		
Welsh Church Fund	An independent check will be needed if the fund's income is over £25,000.	5
<b>Record Offices, Museums and the Arts</b>		
Storiell – Closing the Project	Removed from the 2016/17 plan because of a reduction in resources.	5
Storiell – Unannounced Visit	Unannounced visit to conduct an income reconciliation.	1
<b>Leisure</b>		
Leisure Centres	A review of both administrative and financial arrangements within specific centres.	40
Membership Direct Debit Payments	A review of the arrangements to ensure there is no loss of income.	10
<b>Maritime and Country Parks</b>		
Victoria Dock	The last audit was carried out in 2009/10.	10

<b>Audit</b>	<b>Reason</b>	<b>Days</b>
<b>Major Projects</b>		
Caernarfon Waterfront and Town Centre Regeneration Initiative – Governance Arrangements	An initiative led by Gwynedd Council and delivered through a multi-agency partnership that consists of Cadw, Arts Council for Wales, Antur Waunfawr, Gisda, Ffestiniog & Welsh Highland Railways, Caernarfon Harbour Trust and Galeri Caernarfon.	15

## **ADULTS, HEALTH AND WELLBEING**

### **Across the Department**

Commissioning Arrangements	A review of the commissioning arrangements including joint-commissioning.	30
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### **Supporting People**

Supporting People Grant	Requirement under the terms of the grant.	15
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### **Adults**

Teleofal	New arrangements will be introduced in 2017/18.	10
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### **Residential and Day**

Adult Placement Scheme (Shared Lives Scheme)	It is timely to conduct an audit in this area.	15
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Plas Ogwen, Bethesda	All Council homes to be audited within a 3 year cycle (2017/18 is the first of three).	12
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Plas Maesincla, Caernarfon	All Council homes to be audited within a 3 year cycle (2017/18 is the first of three).	12
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Plas Hafan, Nefyn	All Council homes to be audited within a 3 year cycle (2017/18 is the first of three).	12
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Learning Disabilities Hostels	A new model of service provision.	20
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Housing Support	Removed from the 2016/17 plan because of a reduction in resources.	15
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### **Housing Management**

Housing Waiting List	This area has not been addressed by Audit for some time.	12
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## **CHILDREN AND SUPPORTING FAMILIES**

### **Children and Families**

Grants	A review of specific grants.	24
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<b>Audit</b>	<b>Reason</b>	<b>Days</b>
Arrangements for Children Leaving Care	Ensure compliance with the Children Leaving Care Act.	20
Care and Support Plans (Children) under Part 4 – Social Services and Wellbeing Act (Wales) 2014	A review of the arrangements following the introduction of the new Act.	20
<b>HIGHWAYS AND MUNICIPAL</b>		
<b><i>Highways Works</i></b>		
Depots	Monitoring progress against the action plan established as a result of an internal review following an incident.	15
<b><i>Waste Management and Streets</i></b>		
Recycling Targets	This area has been identified as high risk (without control measures) in the department's risk register.	10
Garden Waste Collection	New arrangement since January 2017.	15
<b>REGULATORY</b>		
<b><i>Public Protection</i></b>		
Licensing	The Licensing Unit have been subject of a "Ffordd Gwynedd" review.	8
Food Hygiene	Included at the request of the Head of Department – a review of the current arrangements.	8
<b><i>Transportation and Street Care</i></b>		
Concessionary Fares	Included at the request of the Head of Departments – an area of risk.	8
<b><i>Council Land and Property</i></b>		
School Schemes – Ysgol Glancegin	Assurance is required that the grant's terms and conditions are complied with and the general administration of the scheme.	10
Smallholdings	The last audit was carried out in 2011/12.	8
<b>YGC</b>		
<b><i>Across YGC</i></b>		
Accreditations	Included at the request of the Head of Department.	15
Employment Status	A review of the employment status of YGC staff.	10
<b>TOTAL NUMBER OF DAYS</b>		<b>880</b>