

COMMITTEE	AUDIT AND GOVERNANCE COMMITTEE
DATE	8 FEBRUARY 2018
TITLE	DRAFT INTERNAL AUDIT PLAN 2018/19
PURPOSE OF THE REPORT	TO PRESENT THE DRAFT INTERNAL AUDIT PLAN FOR THE YEAR 1 APRIL 2018 – 31 MARCH 2019
AUTHOR	LUNED FÔN JONES – AUDIT MANAGER
ACTION	TO APPROVE THE PLAN IN THE APPENDIX

1. INTRODUCTION

- 1.1 The draft work plan for Internal Audit for the financial year 2018/19 is presented to the Audit and Governance 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 and Governance 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 2018/19, 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 766 days of audit resources will be available to complete the 2018/19 audit plan. This is on the basis of analysis of the staffing resources available, including reasonable allowances for “unproductive” work such as holidays, illness, training, management and meetings and after considering the following provisions:

	2018/19	2017/18
Provision for advising on controls and propriety	55 days	55 days
Provision for responsive work	30 days	30 days
Provision for follow-up	50 days	80 days

4. RECOMMENDATION

4.1 The Committee is requested to approve the draft audit plan for the period 1 April 2018 to 31 March 2019.

DRAFT INTERNAL AUDIT PLAN 2018/19

Audit	Reason	Days
CORPORATE		
Supporting Ffordd Gwynedd Reviews	To provide advice and support to staff and managers on issues regarding risk management and internal control. (A “Ffordd Gwynedd” approach 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
Safeguarding Arrangements – Domestic Abuse	On 29 April 2015, the Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act came into force. The legislation aims to improve the Public Sector response in Wales to such abuse and violence. It is mandatory that all employees in the Public Sector receive training in this area. Failure to achieve this can result in financial penalties.	15
Safeguarding of Children and Vulnerable Adults – Establishments	Provision for conducting “Safeguarding” reviews when visiting establishments.	4
General Data Protection Regulations	On May 25 2018, The General Data Protection Regulations (GDPR – the Regulations) will replace the Data Protection Act 1998. The GDPR threatens significant fines and penalties for non-compliant data controllers and processors.	10
Information Management – Establishments	Provision for conducting “Information Management” reviews when visiting establishments.	6
Social Services Annual Report	The Local Authority Social Services Annual Reports (Prescribed Form) (Wales) Regulations 2017 came into force on 4 September 2017. Section 144A(4) of the Social Services and Well-being (Wales) Act 2014 requires the annual report to be in the form prescribed by regulations. The audit will verify that there is evidence to support specific elements contained within the report.	8

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
Employment Status IR35	Since April 2017, every public authority must assess each individual's "employment status" for tax purposes to ensure they fulfill their tax and National Insurance obligations.	30
School Admissions	A review to ensure that admission arrangements to the nursery or reception class are in accordance with the Gwynedd Schools Admission Policy.	

Pupils and Inclusion

TRAC Project	The TRAC Project aims to support 11-24 year olds disengaged from education, and at a risk of becoming NEET – not in Education, Employment or Training. The audit will review specific elements within this project.	15
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Employment Status – IR35	Since April 2017, every public authority must assess each individual's "employment status" for tax purposes to ensure they fulfill their tax and National Insurance obligations.	30
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Schools

Awareness of the Whistleblowing Policy – Primary and Secondary	Removed from the 2017/18 plan because of a reduction in resources.	25
Schools - General	Annual provision for work involving providing advice and support.	10

Council Tax System - One Digital Portal	Removed from the 2017/18 plan because of a reduction in resources.	10
Council Tax Debt Suspension and Write-Off	Delays in recovery action may result in the Council's ability to recover income owed.	10
Business Rates – Valuation List	A review to ensure that there is prompt action taken on the Valuation Office's reports to ensure the completeness of the valuation list maintained.	6
ECONOMY AND COMMUNITY		
<i>Community Regeneration</i>		
Welsh Church Fund	An independent check will be needed if the fund's income is over £25,000.	3
<i>Leisure</i>		
Leisure Centres	A review of both administrative and financial arrangements within specific centres.	40
<i>Maritime and Country Parks</i>		
Unannounced Visits – Income Collection	Unannounced visits to carry out income reconciliations.	10
<i>Strategy and Development</i>		
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. Removed from the 2017/18 plan because of a reduction in resources.	15
North Wales Growth Board	The Board Governance arrangements – a Local Authority Joint Committee with representatives of key partners such as the North Wales and Mersey Dee Business Council, universities and further education colleges.	15
ADULTS, HEALTH AND WELLBEING		
<i>Across the Department</i>		
Commissioning Arrangements	A review of the commissioning arrangements including joint-commissioning.	30
<i>Supporting People</i>		
Supporting People Grant	Requirement under the terms of the grant.	15

Adults

Home Care – Travelling Costs	A review of the arrangements following an audit that was carried out in 2015/16 to identify the reason for the over-expenditure.	10
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Residential and Day

Plas Hedd, Bangor	All Council homes to be audited within a 3 year cycle (2018/19 is the second of three).	12
Plas y Don, Pwllheli	All Council homes to be audited within a 3 year cycle (2018/19 is the second of three).	12
Cefn Rodyn, Dolgellau	All Council homes to be audited within a 3 year cycle (2017/18 is the first of three).	12
Hafod Mawddach, Barmouth	All Council homes to be audited within a 3 year cycle (2017/18 is the first of three).	12

Housing Management

Houses into Homes Scheme	Review the arrangements of the Welsh Government's Houses into Homes Scheme and ensure that all loans made comply with the required criteria.	12
Disabled Facilities Grant	Disabled facilities grants are mandatory and there is a discretionary element known as a Discretionary Disabled Facilities Loan (DDFL) – this additional sum will be a legal charge on the subject property.	

CHILDREN AND SUPPORTING FAMILIES

Children and Families

Grants	A review of specific grants.	20
On-call and Emergency Arrangements	A review of the processes established to ensure a prompt and efficient service in accordance with statutory requirements.	15
Care and Support Plans (Children) under Part 4 – Social Services and Wellbeing Act (Wales) 2014	Removed from the 2017/18 plan because of a reduction in resources.	20

HIGHWAYS AND MUNICIPAL

Across the Department

Diesel Tanks and Diesel Management	This has been identified as a high risk area in the corporate risk register.	15
Waste Management and Streets		
Street Enforcement	A review of the environmental enforcement arrangements with Kingdom.	10

YGC

Across YGC

Flood Management

Gwynedd Council is a Lead Local Flood Authority uned the Flood and Water Management Act 2010, and has statutory flood risk management duties.

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TOTAL NUMBER OF DAYS

766