

COMMITTEE	<b>AUDIT AND GOVERNANCE COMMITTEE</b>
DATE	<b>27 MAY 2021</b>
TITLE	<b>INTERNAL AUDIT PLAN 2021/22</b>
PURPOSE OF THE REPORT	<b>TO PRESENT THE DRAFT INTERNAL AUDIT PLAN FOR THE YEAR 1 APRIL 2021 – 31 MARCH 2022</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 work plan for Internal Audit for the financial year 2021/22 is presented to the Audit and Governance Committee for comment and approval.
- 1.2 In accordance with best practice and the Public Sector Internal Audit Standards, the Internal Audit plan is subject to ongoing review to ensure it remains up to date and reflective of changes in the business. This is even more important given the significant and fast-changing impact of the COVID-19 Pandemic on the Council.
- 1.3 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, 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 one temporary auditor.

- 2.4 Therefore, in order to ensure that we are reviewing the right things, consideration was first given to the Corporate Risk Register, Gwynedd Council's Plan along with any other significant developments. This is to ensure that the Council's key controls in order to deal with its main risks are addressed.
- 2.5 The result of this was to prepare an initial draft plan, which has been discussed with each Head of Department. This was an opportunity to further refine the plan, before being presented to the Audit and Governance Committee.
- 2.6 The Internal Audit plan 2021/2022 will also give appropriate consideration to the following:
- 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. Audit Wales has decided to extend the NFI to target the fraud risks associated with Covid-19 grants or payments made by local authorities. Audit officers who have been involved in processing grant payments will not undertake this work to ensure appropriate independence and separation of duties.
  - Continue to address specific grants, particularly where the conditions of the grant expect an Internal Audit review.
- 2.7 The audit plan will remain flexible in order to reflect any emerging issues or changes to risks and priorities of the Council and to also ensure the health and safety of both Internal Audit and client officers. Any revisions or amendments to the Plan will be reported to the Audit and Governance Committee in the usual manner. It is not expected that Audit staff will be required to assist with the administration of Business Grant or assist the Test, Trace and Protect Service this year.
- 2.8 To ensure flexibility, Internal Audit will use the AGILE methodology where possible. The objectives of applying the Agile principles are:
- Increasing audit quality
  - Short audit cycles
  - More interaction with the auditee
  - Providing insights
- Agile provides a more flexible and dynamic Internal Audit Planning as a result of continuous risk monitoring.

2.9 Like the majority of Council services, Internal Audit officers are working from home for the foreseeable future, and hence conducting an audit where a visit to the establishment is necessary will be limited. Internal Audit will continue to carry out its duties whilst respecting any guidance issued by the Welsh Government and conduct its activities within any constraints imposed.

### **3. RESOURCES AVAILABLE**

3.1 It is projected that approximately 715 days of audit resources will be available to complete the 2021/22 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:

	2021/22	2020/21
Provision for advising on controls and propriety	56 days	55 days
Provision for responsive work	35 days	35 days
Provision for follow-up	35 days	45 days

3.2 Gwynedd Council’s Internal Audit provides an Internal Audit Service to several external clients including approximately 70 town and community councils, Snowdonia National Park, Byw’n Iach and GwE. These days have already been taken into consideration when calculating the number of days available to deliver the Gwynedd Council Plan, i.e. 715 days.

3.3 The 2021/2022 Audit Plan will be a plan with flexibility to enable the Service to support the Council in any emerging issues and to act promptly on any risks posed by those issues.

### **4. RECOMMENDATION**

4.1 The Committee is requested to approve the Revised Audit Plan for the period 1 April 2021 to 31 March 2022.

**INTERNAL AUDIT PLAN 2021/2022**

<b>Audit</b>	<b>Days</b>	<b>Reason</b>
<b>CORPORATE</b>		
Supporting Ffordd Gwynedd Reviews	15	To provide advice and support when considering issues regarding internal controls during reviews.
Employment Statements	8	It is now a requirement that employment statements include a clause in relation to undertaking statutory training, e.g. safeguarding.
Climate Change	15	The audit will focus on the arrangements the establishment has in place to combat climate change.
Safeguarding Arrangements	15	A review of the training arrangements on the range of safeguarding modules. This area has been identified in the Corporate Risk Register.
Safeguarding Arrangements - Establishments	4	Provision for conducting “Safeguarding” reviews when visiting establishments
Business Arrangements as a result of Covid-19	15	Review the business arrangements adopted during the Covid-19 pandemic.
Business Continuity Plans (across the Council) and Lessons Learned	20	Review the suitability of service continuity plans and ensuring that lessons learned reports have been submitted and risk logs are maintained up to date.
Brexit	15	This is been denoted as a “red” risk in the Corporate Risk Register (risk score 25).
Financial Management Code	15	Local Authorities are required to apply the requirements of the FM Code with effect from 1 April 2020. The audit will encompass compliance with the Code.
Socio-Economic Duties 2021	10	The Duty came into force on 31 March 2021. The aim of the Duty is to encourage better decision making, ensuring more equal outcomes. The audit will encompass establishing what procedures are in place for fulfilling this Duty on a day-to-day basis.
Complaints Procedure	10	A review of compliance with the Ombudsman’s complaints standards.

<b>Audit</b>	<b>Days</b>	<b>Reason</b>
Language Designations	12	A review of the outputs of the Language Designations Project Team in relation to mapping language levels of posts and staff skills.
Proactive Prevention of Fraud and Corruption and the National Fraud Initiative	40	Work is to be undertaken to ensure that robust arrangements are in place for dealing with the risks of fraud and corruption and the National Fraud Initiative which is run by the Wales Audit Office. These investigations may include any element of fraud committed by exploiting the Covid-19 pandemic.
Information Management – Establishments	5	Provision for conducting “Information Management” reviews when visiting establishments.
Use of Purchasing Cards	25	A review of expenditure and use of credit and purchasing cards and a review of arrangements for obtaining cash from cash machines.

## **EDUCATION**

### ***Resources***

Pupil Development Grant	10	The PDG has not been incorporated in the Regional Consortia School Improvement Grant; therefore it will be necessary to carry out a separate audit.
Regional Consortia School Improvement Grant	15	The grant is an amalgamation of many grants previously awarded from the Welsh Government.
Post-16 Grant	3	Requirement under the financial terms and conditions.
Cwmni Cynnal – Services to Schools	25	An overview of the service Gwynedd schools receive from Cwmni Cynnal.
Health and Safety - Playing Fields	20	This is an area identified in 2019/20 when conducting a review of the repair and maintenance of playing fields of the Highways and Municipal Department.

### ***Schools***

Schools – General	5	Annual provision for work involving providing advice and support.
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## **ENVIRONMENT**

### ***Public Protection***

Food Hygiene	15	A review of the impact on the service as a result of staff being redeployed to the TPP service.
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<b>Audit</b>	<b>Days</b>	<b>Reason</b>
<b><i>Transportation and Street Care</i></b> Local Transport Fund	12	Review of local transport arrangements.
<b><i>Countryside and Access Unit</i></b> Countryside Grants	12	A review of the arrangements for administering specific grants, such as the Local Nature Partnership.
<b>FINANCE</b>		
<b><i>Across the department/corporate</i></b> IT Systems and Security – Data Adequacy	15	A review of the arrangements to ensure the security of personal data held in the cloud in light of the implications of Brexit.
Disaster Recovery Arrangements	15	Review arrangements in place to ensure continuity of service in an emergency.
<b><i>Payroll</i></b> Changes in Standing Data	12	Review data changes following the introduction of new arrangements through the self-service portal and a review of changes to bank details (ISWAS report)
Payment to Care Workers (Part 2)	10	Ensure that appropriate arrangements are in place for administering the additional payment for care workers.
Bonus Payments to Care Workers	15	A review of arrangement for administering the bonus payments.
<b><i>Accountancy</i></b> Project Management – Upgrading E-Financials	12	A review to ensure that a project plan is in place for the upgrade.
Harbours Statement of Accounts 2020-21	4	This is a statutory requirement.
Joint Planning Policy Committee Statement of Accounts 2020-21	4	This is a statutory requirement.
North Wales Economic Ambition Board Statement of Accounts 2020-21	10	This is a statutory requirement.
<b><i>Pensions</i></b> New Starters	12	A review of the arrangements for establishing new starters.

<b>Audit</b>	<b>Days</b>	<b>Reason</b>
<b><i>Revenue</i></b> Welsh Government Business Support Grants (2021-22)	25	A review of the arrangements for administering grants – at the request of the Head of Finance.

## **ECONOMY AND COMMUNITY**

<b><i>Community Regeneration</i></b> Welsh Church Fund	3	An independent check will be needed if the fund's income is over £25,000.
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### ***Record Offices, Museums and the Arts***

Storiel	6	Storiel has received a risk score of 20 on the Corporate Risk Register.
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### ***Business Support***

Business Support Grants	15	A review of the arrangements for administering grants – at the request of the Head of Economy and Community.
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### ***Maritime and Country Parks***

Beach Management Plan	10	This is an area of high risk. (risk score 20)
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### ***Strategy and Development***

North Wales Economic Ambition Board	20	Governance arrangements of specific projects managed by the Board which is a joint committee with representatives of key partners such as the North Wales and Mersey Dee Business Council, universities and further education colleges.
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Llanbedr Plan	12	A review of the project management arrangements on a plan with a value of approximately £25m – the audit will focus on the purchase of land.
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## **ADULTS, HEALTH AND WELLBEING**

### ***Across the Department***

Liberty Protection Measures	10	New arrangements replacing DoLS – a review of arrangements for complying with the Liberty Protection Safeguards.
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### ***Adults***

Debts	30	A review of debts and recovery arrangements.
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### ***Residential and Day***

Safeguarding Clients' Assets	15	Review of arrangements / protocol for appointing a deputy or appointee for clients.
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<b>Audit</b>	<b>Days</b>	<b>Reason</b>
<b>CHILDREN AND SUPPORTING FAMILIES</b>		
<i>Children and Families</i>		
Risk Assessment Arrangements and Training Programme	12	This area has been identified in the Corporate Risk Register due to violence at work, lone working and caseloads.
Statutory Assessments (AMHP)	20	This is a requirement in accordance with the Mental Health Measure Wales.
<b>HIGHWAYS AND MUNICIPAL</b>		
<b>Highways And Municipal Maintenance</b>		
Land Maintenance	15	Impact of the loss of contract on the service.
Risk Assessments – Highways Maintenance	15	Review the contents and appropriateness of the risk assessments.
<b>HOUSING AND PROPERTY</b>		
<i>Homelessness and Supported Housing</i>		
Housing Support Grant	10	Requirement under the terms of the grant.
<i>Council Land and Property</i>		
Smallholdings	12	Review to check progress since the last audit.
Cleaning Arrangements	15	A review of the cleaning arrangements within the main Council offices.
<b>GWYNEDD CONSULTANCY</b>		
<i>Across the department</i>		
Project Management Arrangements	20	The review has been included at the request of the Head of YGC.
<b>Total Days</b>	<b>715</b>	