



Doncaster Council

Report

**To the Chair and Members of the
AUDIT COMMITTEE**

INTERNAL AUDIT PLAN 2018/19

EXECUTIVE SUMMARY

1. This report presents the Annual Internal Audit Plan for 2018/19 as drafted by Internal Audit. The plan has been created following careful risk assessment of the Council and its activities (including partnership activities) and was created with assistance from Directors and Assistant Directors and other officers across the Council.
2. This plan (attached to this report) conforms to UK Public Sector Internal Audit Standards (UKPSIAS); these are our professional internal audit standards.
3. FTE numbers available (audit resources) have fallen from 9.1 FTEs in April 2017 to 7.9 FTEs in 2018. This results in a fall in available audit days for the plan from 1562 days to 1345 days. This drop in resources is caused by reductions in overall staff numbers after a service review and a temporary vacancy caused by the resignation of a member of the team.
4. Summary plan details are as follows:

2017/18 Audit Plan

2018/19 Audit Plan

Breakdown of the Plan By Type of Work

	Days	Plan %
Assurance Work	1083	69.4%
Consultancy Work	25	1.6%
Responsive Work	331	21.2%
Followup Work	122	7.8%
<i>Total</i>	<i>1562</i>	<i>100%</i>

	Days	Plan %
Assurance Work	793	58.9%
Consultancy Work	75	5.6%
Responsive Work	370	27.5%
Followup Work	108	8.0%
<i>Total</i>	<i>1345</i>	<i>100%</i>

5. Our plan continues to focus on the areas we consider from our assessment of risks, which can add the most value. To this end we continue to consider corporate priorities, changes

and governance issues along with financial, fraud, ICT and information governance risks.

6. Broadly speaking, our plan remains comparable to that of the previous years but the following points are noteworthy
 - a. Due to a consistently high demand for responsive work across the Council in the last 2 years and the effect that this has on the audit resources to complete planned audit work, the allowance / contingency time reserved for such work has been increased as a prudent attempt to prevent / minimise the effects of responsive work on planned work. The actual level of responsive work cannot be predicted with accuracy.
 - b. Increased time has been allowed for consultancy based work where there has been a high demand requested for these services and also for smaller pieces of advisory work. This is in line with the aspect of the mission statement of internal audit requiring the team to be insightful and adding value.
 - c. Increased time has been allocated to addressing issues that have been identified from the assessment and also highlighted by management within Adults, Health and Wellbeing. In order to deliver this volume of work, assistance will be provided by the directorate's Programme Management Office (PMO).
 - d. The amount of time allocated to Corporate Resources has also increased due largely to cyclical audit coverage requirements.
 - e. A lesser level of coverage is planned for Regeneration and Environment with some audits being those that were slipped from the 2017/18 plan.
 - f. The drop in the number of days allocated to Learning and Opportunities continues to reflect the diminishing audit universe here which is caused by the transfer of local authority schools to academies and less direct service provision and therefore reduces the amount of days to cover associated audit areas.
 - g. Our focus continues from the previous year in ensuring that released audit recommendations / agreed actions are satisfactorily implemented. As a result, we continue to provide follow-up time to work with directorates to ensure that actions are implemented promptly. This allocation is smaller than the previous year and reflects an overall reduction in the number of outstanding actions.
7. As can be seen from the points above, there are many factors taken into account in formulating this plan and some of these factors, ie new and emerging risks and the level of responsive work are largely beyond our control. However, the plan is regularly reviewed and adjusted to take these factors into account. The plan is therefore considered deliverable. Should, however, the delivery of the plan be considered unachievable to the extent that the Head of Audit feels he is unable to provide his annual opinion on the Council's governance, risk management and internal control arrangements, then the Council's Chief Financial Officer & Assistant Director – Finance and Corporate Resources has given his assurance of additional financial support to the team to avoid this situation. This support is consistent with that assured in previous years.
8. Full details of the plan, its construction and associated resources are contained within the report attached.

EXEMPT REPORT

9. This report is not exempt.

RECOMMENDATIONS

10. The Audit Committee is asked to support the 2018/19 Internal Audit Plan.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

11. Effective oversight of internal audit through the Audit Committee adds value to the Council by ensuring that it manages its risks in support of the key priorities and outcomes it seeks to achieve.

BACKGROUND

12. This report is produced annually for Audit Committee inspection / awareness as required under the UK Public Sector Internal Audit Standards.

OPTIONS CONSIDERED AND REASON FOR RECOMMENDED OPTION

13. None. An approved and owned internal audit plan is a fundamental element of the UK Public Sector Internal Audit Standards, as such, there are no available other options.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

14. Internal Audit contributes to the effective management of the Council's risks, which in turn contributes to the achievement of the Council's goals and key outcomes for Doncaster as a whole.

Outcomes	Implications
Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future; <ul style="list-style-type: none">• Better access to good fulfilling work• Doncaster businesses are supported to flourish• Inward Investment	None
Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time; <ul style="list-style-type: none">• The town centres are the beating heart of Doncaster• More people can live in a good quality,	None

Outcomes	Implications
<p>affordable home</p> <ul style="list-style-type: none"> • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	
<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	None
<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	None
<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>Internal Audit provide assurance that Council services are robust, well managed and properly safeguard the public purse through reviewing risk, governance and control activities covering the Council's operations and partnership working arrangements.</p>

RISKS AND ASSUMPTIONS

15. The Council must provide an effective internal audit if it is to meet its statutory obligations.
16. Failure to direct internal audit resources to the most appropriate areas would limit the contribution the team can make to the Council. It would also limit the ability of the Head of Internal Audit to provide an opinion on the governance, risk management and internal control arrangements. These risks are managed through having an appropriate internal audit plan, supported by adequate internal audit resources.

LEGAL IMPLICATIONS (KDW 20/03/18)

17. The Council must provide an adequate and effective internal audit in order to comply with the requirements of the Accounts and Audit Regulations 2015.

FINANCIAL IMPLICATIONS (AT, 09/03/18)

18. The revenue budget for Internal Audit Services is £454k (excluding internal recharges) and is part of the Corporate Resources budget. The budget from reduced staffing levels referred to above is being retained in Internal Audit following the service review.

HUMAN RESOURCES IMPLICATIONS (MLV, 14/03/18)

19. There are no specific HR implications related to the contents of this report. Any HR implications which result from the outcome of audit's work will be dealt with at the appropriate time and highlighted in any relevant reports.

TECHNOLOGY IMPLICATIONS (PW, 12/3/18)

20. There are no direct technology implications at this time. Internal Audit should continue to consult with Digital & ICT, as necessary, in relation to the Annual Internal Audit Plan for 2018/19 and any arising technology requirements or implications.

HEALTH IMPLICATIONS (VJ, 09/03/2018)

21. There is no direct health implication of this report. The health implications rest with the service areas to be audited as part of Internal Audit Plan 2018/19.

EQUALITY IMPLICATIONS (PRJ 14/03/18)

22. None

CONSULTATION

23. The Chief Executive and Directors were consulted on Internal Audit's proposals.

BACKGROUND PAPERS

Accounts and Audit Regulations 2015
UK Public Sector Internal Audit Standards 2017
Council Risk Register

REPORT AUTHOR & CONTRIBUTORS

Nicola Frost-Wilson, Internal Audit Manager, Tel 01302 862931,
Email: Nicola.Frost-Wilson@doncaster.gov.uk

Peter Jackson
Head of Internal Audit