



Doncaster Council

Internal Audit Plan 2019-20

11th April 2019

To the Chair and Members of the
AUDIT COMMITTEE

INTERNAL AUDIT PLAN 2019/20

EXECUTIVE SUMMARY

1. This report presents the Annual Internal Audit Plan for 2019/20 which has been created following a review of risks and Council activities (including partnership activities).
2. The plan (attached to this report) conforms to UK Public Sector Internal Audit Standards (UKPSIAS); these are the professional internal audit standards.
3. The level of audit resource is planned to rise from 7.9 FTE's in 2018/19 to 9.0 FTE's in 2019/20, as a vacant post is being recruited to.
4. Summary plan for last year and next year are as follows:

2018/19 Audit Plan

2019/20 Audit Plan

Breakdown of the Plan By Type of Work

	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>	1345	100%

	Days	Plan %
Assurance Work	967	63.0%
Consultancy Work	87	5.7%
Responsive Work*	349	22.7%
Followup Work	132	8.6%
<i>Total</i>	1535	100%

*Responsive work includes time set aside to deal with in year identified issues, an allowance to give proactive advice where needed and a 10% audit plan contingency.

5. The plan continues to focus on the areas that add the most value to the organisation. The plan also continues to consider corporate priorities, along with financial, fraud, ICT and information governance risks.

6. The Internal Audit Plan is broadly comparable with previous years but has changed in the following ways:
- a. There has been an improvement in governance in 2018/19, as can be seen in the Annual Governance Statement (AGS), which is reflected in the audit plan. It is therefore anticipated that less time will be spent supporting management in improving problematic services so more resources can be diverted to assurance work. This is reflected in the increase in “Council Wide” areas of coverage rather than departmental coverage.
 - b. The plan reflects closer working arrangements with Financial Management and other appropriate teams to support a more collaborative approach and maximise the value added from each audit. Additionally, a Value for Money team has been recently established and this may influence the method of delivery of some of the areas identified within the plan.
 - c. The amount of time set aside for responsive work has been reduced due to lower levels experienced in 2018/19 than in the previous two years. The actual level of responsive work cannot be accurately predicted. Should this level of resource not be required, further planned audits will be added from a reserve list of audits.
 - d. Similar levels of time have been allowed for consultancy based work where there has been a high demand 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.
 - e. Less time has been allocated in 2019/20 for audits in Adults, Health and Wellbeing as a result of improvements made within the directorate during the year. This is consistent with the evaluation of improved governance, risk and control arrangements now in place.
 - f. The amount of time allocated to Corporate Resources is very slightly lower due to less coverage traditionally needed by the External Auditor, offset by development time to design more effective testing in these areas using data analytics.
 - g. A higher level of actual coverage is planned to be delivered for Regeneration and Environment with some audits being those that were slipped from the 2018/19 plan.
 - h. A higher level of actual coverage is planned to be delivered in Learning and Opportunities than last year but the relatively low level of coverage continues to reflect the diminishing audit universe here which is caused by the transfer of local authority schools to academies and less direct service.

The audit planning process includes review of all service areas and key processes across the Council. The risk assessment involved in this review culminates in the production of a long list of risks potentially subject to audit. The list has been reduced through discussions with management about items that may be given lower priority. A list of the items included in the long list but excluded from the initial audit plan is included in Appendix B within the attached report. If the risk associated with these items during the year changes (increases), they will be considered for audit coverage at that time. Otherwise, they will be considered for audit work in 2020/21.

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. The plan is regularly reviewed and adjusted to take these factors into account.

8. When these reviews result in audits being removed from the plan, this is on the basis that the risk rating on that particular area may have reduced such that other areas now take priority and are added to the plan, or there may be insufficient resources to deliver all planned work and then an assessment of risk of the remaining planned items takes place. Those items on the plan that are considered most likely, at this point in time, to be removed from the plan are indicated in Appendix 1 with an asterisk (*).
9. The plan is considered deliverable. However, should the Head of internal Audit consider that the plan becomes unachievable to the extent that he feels that 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 and Assistant Director – Finance has given his assurance that additional resources will be discussed and reviewed to avoid this situation. This support is consistent with that assured in previous years.

RECOMMENDATIONS

10. The Audit Committee is asked to support the 2019/20 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

13. Not applicable - for information only

REASONS FOR RECOMMENDED OPTION

14. Not applicable - for information only

IMPACT ON THE COUNCIL'S KEY OUTCOMES

15. 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
<p>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;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish 	<p>None</p>

Outcomes	Implications
<ul style="list-style-type: none"> • Inward Investment 	
<p>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;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	None
<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 	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.

RISKS AND ASSUMPTIONS

16. The Council must provide an effective internal audit if it is to meet its statutory obligations.
17. 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 [HP 2/4/19]

18. 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 29/03/19]

19. The revenue budget for Internal Audit is £472k (excluding internal recharges) and is part of the Corporate Resources budget. Outside of pay inflation, the changes to the team's structure and plan have been met from the team's existing resources. The Value for Money team is an informal group of officers and there is no additional cost involved.

HUMAN RESOURCES IMPLICATIONS [KG 27/03/19]

20. There are no specific HR implications contained in this report.

TECHNOLOGY IMPLICATIONS [PW, 28/03/19]

21. The report confirms that the plan continues to focus on the areas which can add the most value to the organisation, including ICT. As such, the scope of a number of the audit projects included in the Internal Audit Annual Plan for 2019/20 include new and upgraded ICT systems. An audit of mobile devices and inventories is also included in the plan to ensure that there are sound controls over mobile devices and their usage and that council assets and data are properly safeguarded.

HEALTH IMPLICATIONS [RS 27/03/19]

22. There are no direct health implications of this report. The health implications rest with the service areas to be audited as part of the Internal Audit plan.

EQUALITY IMPLICATIONS [PRJ, 29/03/19]

22. We are aware of the Council's obligations under the Public Sector Equalities Duties and whilst there are no identified equal opportunity issues within this report; all of the reviews covered by the plan will take into account any relevant equality implications.

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

Peter Jackson, Head of Internal Audit, Tel 01302 862938,
Email: peter.jackson@doncaster.gov.uk

Peter Jackson
Head of Internal Audit