



Doncaster Council

Report – Internal Audit Plan 2020/21

To the Chair and Members of the
AUDIT COMMITTEE

17th June 2020

INTERNAL AUDIT PLAN 2020/21

EXECUTIVE SUMMARY

1. This report presents the Annual Internal Audit Plan for 2020/21 which has been created following a review of risks and controls of 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 has slightly fallen from 9.0 FTEs in 2020/21 to 8.61 FTEs in 2020/21. The Head of Internal Audit will be assessing the structure of the team against the needs of the Council in the future to ensure the team are appropriately resourced to deliver its services to the Council, St Leger Homes and other partner organisations.
4. This plan was properly prepared to our relevant standards as set out in sections 2-4 of the report and this process started in December 2019. The original plan was drafted before the Covid-19 pandemic crisis became apparent. The plan now reflects the work of the audit team:
 - During the response period,
 - Action taken to understand the impact of the Covid-19 pandemic on the Council's services from an Internal Audit perspective including setting aside resources to assess these and undertake any work required and
 - Other planned work for the team for the remainder of the year.Paragraphs 1.4 to 1.7 set out our actions in the response period and the strategy for our work in the remainder of the year.
5. Section 7 of the report highlights important factors we have taken into account including an assessment of improving governance noted in the Annual Governance Statement and closer working with other teams within Corporate Resources. It also summarises the impact on planned work within the Directorates.
6. The risk assessment involved in this review culminates in the production of a long list of risks potentially subject to audit. The list was reduced through discussions with management about items that may be given lower priority. This list has subsequently been further amended following our first assessment of the impact of the Covid-19 pandemic with the plan set out in Appendix A. 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.

7. As a result of the work already done this year and anticipated to be done in the remainder, the summary plan for last year and this year as it currently stands are as follows:

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2019/20 Audit Plan

2020/21 Audit Plan

Breakdown of the Plan By Type of Work

	Days	Plan %		Days	Plan %
Assurance Work	967	63.0%	Assurance Work	729	53.9%
Consultancy Work	87	5.7%	Consultancy Work	61	4.5%
Responsive Work*	349	22.7%	Responsive Work*	475	35.1%
Followup Work	132	8.6%	Followup Work	87	6.5%
<i>Total</i>	1535	100%	<i>Total</i>	1352	100%

*Responsive work includes time set aside to deal with in year identified issues, an allowance to give proactive advice where needed and an allowance for contingency items.

8. O
 ur audit planning has always involved the regular review of the plan and this is needed this year more than ever. The plan at this stage is still very subjective dealing with many unknown factors and as such it is important to understand the principles, strategies and constraints associated with the production of the plan.

9. T
 he plan is an important element for the Head of Internal Audit to arrive at his opinion on the adequacy of the Council's risk, governance and control arrangements. Whilst audit resources have been used in a different way in the first few weeks of the year as summarised above, there has been assurance gained over these arrangements that have been subjected to maximum stress because of the pandemic and this is reassuring. These arrangements will be subject to more full and formal review and consideration during the financial year. This is done when the 2019/20 Annual Governance Statement is reviewed and revised as required to reflect the impact of the pandemic when approved alongside the Statement of Accounts, currently scheduled for the October meeting of the Audit Committee. It will also be done when the 2020/21 Annual Governance Statement is drafted and considered alongside the Head of Internal Audit Opinion for 2020/21. There are also embedded and ongoing arrangements within the Council such as the quarterly reporting processes which form part of our risk governance and control arrangement.

10. A
 s has been explained above, the plan has had a considerable reprioritisation to assess areas of greatest risk and where core assurance is required. Additionally, services are and will be using technology to work smarter and more efficiently, which also includes the Internal Audit team.

11. A
 ccordingly, with the assurance from the year to date in managing with the pandemic, the ongoing assessment of risk and reprioritisation of the audit plan, the Head of Internal Audit considers that sufficient internal audit work will be able to be delivered alongside the other factors that are taken into account when arriving at his annual opinion on the Council's, risk,

governance and control arrangements. There are many caveats associated with this opinion made at this point in time which are as far ranging as the impact of a second spike of the pandemic, central government funding and more local issues such as an unmanageable demand for audit support in investigating irregularities. These and other factors will be under constant review and any concerns will be raised with management and reported accordingly to the Audit Committee.

RECOMMENDATIONS

12. The Audit Committee is asked to
- support the principles and strategy underpinning the 2020/21 Internal Audit Plan set out in section 1 and expanded upon in section 7 of the Internal Audit Plan report and
 - consequently support the plan itself as it stands as set out in Appendix A, noting the necessity for future full and ongoing reviews of the plan whenever it is appropriate to do and accordingly to approve the plan.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

13. 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

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

OPTIONS CONSIDERED

15. Not applicable - for information only

REASONS FOR RECOMMENDED OPTION

16. Not applicable - for information only

IMPACT ON THE COUNCIL'S KEY OUTCOMES

17. 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 • Inward Investment 	<p style="text-align: center;">None</p>
<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>	<p style="text-align: center;">None</p>

Outcomes	Implications
<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 	
<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

18. The Council must provide an effective internal audit if it is to meet its statutory obligations.
19. 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 04/06/20]

20. 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 [ST 03/06/20]

21. 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.

HUMAN RESOURCES IMPLICATIONS [KG 03/06/20]

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

TECHNOLOGY IMPLICATIONS [PW, 03/06/20]

23. The report confirms that the plan continues to focus on the areas which can add the most value to the organisation and also considers ICT risks. As such, the scope of a number of the audit projects included in the Internal Audit Annual Plan for 2020/21 relate to ICT systems and associated processes and procedures. There are no specific technology implications at this stage as these will depend upon the outcomes and findings of the individual projects.

HEALTH IMPLICATIONS [RS 03/06/20]

24. Evidence shows that what determines the health of population result from a combination of factors including (1) health behaviour (30%); (2) socioeconomic factors (40%) – education, employment, income, family support, and community safety; (3) health and social care (20%); and (4) build environment (10%). Whilst this report may not have direct health implication, the health implications will rest with the service areas to be audited as part of Internal Audit Plan 2018/19. The authors of the services to be audited need to ensure that the health implications are considered and appropriate mitigation actions are taken in order to improve health and reduce health inequalities. Advice can be obtained from public health team.

EQUALITY IMPLICATIONS [PRJ, 01/06/20]

25. 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

26. The Chief Executive and Directors were consulted on Internal Audit's proposals and will be further consulted with regarding the major changes required to the audit plan for the remainder of the year including the Covid-19 related work.

BACKGROUND PAPERS

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

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