



AUDIT COMMITTEE – 21ST OCTOBER 2020

SUBJECT: INTERNAL AUDIT SERVICES ANNUAL AUDIT PLAN 2020/21 (1/10/20 TO 31/3/21)

REPORT BY: ACTING INTERNAL AUDIT SERVICES MANAGER

1. PURPOSE OF REPORT

- 1.1 To seek Audit Committee approval for the Internal Audit Services Annual Audit Plan for the remainder of the 2020/21 financial year (1/10/2020 to 31/3/2021).

2. SUMMARY

- 2.1 The report provides details of the planned work programme for Internal Audit Services for the remainder of the 2020/21 financial year.

3. RECOMMENDATIONS

- 3.1 The Audit Committee is asked to note and approve the Internal Audit Services Annual Audit Plan for the remainder of the 2020/21 financial year.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To enable Internal Audit Services to carry out its function, in providing assurance on the robustness of internal controls and corporate governance arrangements.

5. THE REPORT

- 5.1 The Internal Audit Services Annual Audit Plan for the remainder of the 2020/21 financial year (1/10/2020 to 31/3/2021) is attached as Appendix 1. This plan is very different to those produced in previous years due to the impact of the Covid-19 pandemic on the operational work and service areas of the Council, along with direct impacts for the Internal Audit Section.
- 5.2 The Head of Financial Services & S151 Officer took the decision to suspend the general work of the Internal Audit Section in March 2020 due to the need to support other priority services directly linked to Covid-19. From March to September the Internal Audit staff were repurposed to support other operations and services. This included support for the processing of the NNDR Covid-19 business grants, the Test, Track and Protect Service and setting up the administration and financial recording system for the Buddy Scheme. Staff also undertook individual volunteering to support the Buddy Scheme.
- 5.3 One member of staff retired in February 2020 as they reached normal retirement age and another member of staff retired in August. These posts currently remain vacant. The Head of

Financial Services & S151 Officer will be undertaking a review of staffing structures over the coming months. For the time being the Internal Audit Services Annual Plan assumes that these posts will remain vacant for the remainder of the financial year.

- 5.4 It goes without saying that as with most services the work undertaken by Internal Audit will be impacted by Covid-19 for at least the rest of this financial year and possibly in the longer-term. The Internal Audit team have adapted rapidly to these challenges and adopted remote and agile working and it is considered that the MK Insights audit system will also facilitate new ways of working.
- 5.5 Due to the impact of Covid-19 no “standard” establishment visits will be planned for the remainder of the year and wherever possible work will be undertaken remotely or if this cannot take place, by collection of financial information and examination off-site and remote meetings via Teams.
- 5.6 Working practices in respect of other audits will continue to evolve and it is planned to introduce self-assessment processes for risk and control evaluations and conduct as much work as possible remotely.
- 5.7 Resources for the remainder of the year will be concentrated on the following: -
- Completion of any unfinished work carried forward from 2019/20.
 - Financial systems and processes and any other high risk areas, including following up on “in need of improvement” audits.
 - Mandatory audits and tasks such as participation in NFI, and any WG grants such as the £500 carers grants.
 - Introduction of the remote access portal facility of MK Insights to allow auditees to record comments and actions in line with recommendations made.
 - Full development and implementation of the management tools in MK Insights in respect of planning and reporting.
- 5.8 The Acting Internal Audit Manager will also continue to support corporate governance and other corporate tasks as required and despite working remotely staff will remain available to give ad-hoc advice and guidance where requested.
- 5.9 Appendix 1 provides further details of the areas of coverage

6. ASSUMPTIONS

- 6.1 It is assumed that Covid-19 will continue to impact on the work of Internal Audit Services for the remainder of the financial year.

7. LINKS TO POLICIES

- 7.1 The work of Internal Audit Services provides assurance on the robustness of internal controls and the corporate governance arrangements operating within the Authority and identifies areas for improvement.
- 7.2 The Audit universe has also been mapped to the Corporate Well-being Objectives where relevant in order to link the relevance of the audit work to those Objectives.

8. WELL-BEING OF FUTURE GENERATIONS

- 8.1 Strong corporate governance arrangements are a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

8.2 Strong corporate governance arrangements are also an essential element of ensuring that the Council's key priorities are effectively delivered and this in turn contributes to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015: -

- A prosperous Wales.
- A resilient Wales.
- A healthier Wales.
- A more equal Wales.
- A Wales of cohesive communities.
- A Wales of vibrant culture and thriving Welsh Language.
- A globally responsible Wales.

9. EQUALITIES IMPLICATIONS

9.1 There are no potential equalities implications of this report and its recommendations on groups or individuals who fall under the categories identified in Section 6 of the Council's Strategic Equality Plan, therefore a full Equalities Impact Assessment has not been carried out.

10. FINANCIAL IMPLICATIONS

10.1 There are no direct financial implications arising from this report.

11. PERSONNEL IMPLICATIONS

11.1 There are no personnel implications other than the approved manpower resource

12. CONSULTATIONS

12.1 Any comments received have been reflected in the report.

13. STATUTORY POWER

13.1 Local Government Act 1972.

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Appendices:

Appendix 1 Annual Audit Plan 2020/21