

REPORT TO: SCRUTINY COMMITTEE – 9 DECEMBER 2020

REPORT ON: INTERNAL AUDIT PLAN PROGRESS REPORT

REPORT BY: SENIOR MANAGER – INTERNAL AUDIT

REPORT NO: 320-2020

1.0 PURPOSE OF REPORT

To submit to Members of the Scrutiny Committee an update on the progress towards delivering the 2019/20 and 2020/21 Internal Audit Plans.

2.0 RECOMMENDATIONS

Members of the Committee are asked to note the information contained within this report.

3.0 FINANCIAL IMPLICATIONS

None

4.0 MAIN TEXT

- 4.1 Standard 2060 of the Public Sector Internal Audit Standards (PSIAS) entitled Reporting to Senior Management and the Board states that “the chief audit executive must report periodically to senior management and the board on...performance relative to its plan” and that “reporting and communication to senior management and the board must include information about the audit plan and progress against the plan”. In addition, Standard 1110 of the PSIAS entitled Organisational Independence supports this requirement, stating that “examples of functional reporting to the Board involve the Board receiving communications from the chief audit executive on the Internal Audit Activity’s performance relative to its plan”.
- 4.2 At a senior management level, this requirement is discharged by the Senior Manager – Internal Audit through established direct reporting channels to the Chief Executive, Executive Director of Corporate Services, Head of Corporate Finance (to whom the Senior Manager – Internal Audit reports administratively) and the Corporate Finance Management Team. This is the second report submitted to Scrutiny Committee during 2020/21 providing a progress update against individual audit assignments.
- 4.3 The 2019/20 Internal Audit Plan is now complete, following submission of the Universal Credit report to today’s Scrutiny Committee (Report No 318-2020). In relation to progress towards delivering the 2020/21 Internal Audit Plan, 25 (78.1%) of the 32 individual assignments and 4 (66.7%) of the 6 formal follow-ups within it have already commenced and are at various stages of the internal audit process. The annual progress review exercise from the 2020/21 Internal Audit Plan is also complete and reported to Scrutiny Committee today (Report No 319-2020). For further information in relation to progress towards delivering the 2019/20 and 2020/21 Internal Audit Plans and the assignments within them, see Appendices 1 and 2 respectively.

5.0 POLICY IMPLICATIONS

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6.0 CONSULTATIONS

The Chief Executive, Executive Director of Corporate Services, Head of Corporate Finance and Head of Democratic and Legal Services have been consulted on the content of this report.

7.0 BACKGROUND PAPERS

None

Pamela Redpath, Senior Manager – Internal Audit

DATE: 17 November 2020

2019/20 Internal Audit Plan (as amended under delegated powers May 2020) – Progress Report

Not Yet Commenced	Planning	Fieldwork	Reviewing	Draft Report Issued	Planned Days Utilised / Scrutiny Committee Date
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2019/20 INTERNAL AUDIT PLAN	Proposed Coverage	Status
Governance Reviews		
Dundee Health and Social Care Partnership	To support the Dundee Integration Joint Board (IJB) Chief Internal Auditor through the provision of internal audit reviews on the IJB 2019/20 Internal Audit Plan.	
Joint Community Equipment Service	A high-level review of the working practices in place against the national Good Practice Guide for the Provision of Community Equipment Services in health and social care partnerships.	24/06/20
Transformational Change	Review of the arrangements in place to manage the Council's transformational change agenda, C2022, including, where appropriate, the identification, demonstration and reporting of proposed savings.	25/09/19
Best Value	Review of area(s) yet to be determined following conclusion of the planned Best Value self-assessment process.	
Systems Reviews		
Trade Waste	Review of the end-to-end process in respect of trade waste including steps taken to ensure income maximisation for the Council.	24/06/20
Commercial Lets	Review of the arrangements in place surrounding the letting of commercial properties and the subsequent billing and collection of income.	24/06/20
Assisted Collections	Review of the processes and procedures in place within Neighbourhood Services for the provision of assisted collections.	24/06/20
Community Empowerment Act	Review of the Council's approach towards ensuring compliance with the Community Empowerment (Scotland) Act 2015 in relation to asset transfer and related reporting requirements.	24/06/20

2019/20 INTERNAL AUDIT PLAN	Proposed Coverage	Status
<i>Procurement / Contract Reviews</i>		
Procurement Reform	Review to assess the Council's progress towards reforming its procurement practices, including no purchase order no pay policy, and achieving sustainable procurement in line with national guidance.	
Street Lighting and Roads Maintenance	High level review of the governance arrangements in place to manage and monitor the street lighting and roads maintenance partnership, including winter maintenance, and demonstrate Best Value.	23/09/20
<i>Financial Reviews</i>		
Universal Credit	Review of the controls in place within the organisation to successfully manage and mitigate the impact of Universal Credit on Council tenants and services.	09/12/20
Travel and Subsistence	Review of the internal controls in place surrounding the Council's new electronic travel and subsistence claims process prior to full roll-out.	23/09/20
Grant Claims	To provide confirmation for specified grant claims that the required terms and conditions have been complied with. <ul style="list-style-type: none"> - 2018/19 Grant Claim: Local Authority Air Quality Action Plan - 2018/19 Grant Claim: Local Air Quality Management 	11/12/19 11/12/19
Stocks and Inventories	Review of arrangements in place to ensure that procedures and processes are line with Council guidance and records are complete and accurate.	Process reviewed
<i>Contingency</i>		
Advice and Guidance	Provision of ad-hoc support to assist services in respect of specific queries and contribute to the delivery of improvements in the Council's framework of governance, risk management and control.	Complete
Follow-up Reviews	Specific reviews undertaken by internal audit staff to provide formal assurances to management and Elected Members that recommendations previously agreed have been implemented. <ul style="list-style-type: none"> • Internal Audit Report No. 2016/14 – Construction Design & Management (CDM) Regulations 2015 	24/06/20
	<ul style="list-style-type: none"> • Internal Audit Report No. 2017/13 – Festivals and Events 	24/06/20

2019/20 INTERNAL AUDIT PLAN	Proposed Coverage	Status
<i>Contingency (Cont'd)</i>		
Follow-up Reviews (Cont'd)	• Internal Audit Report No. 2017/16 – Leisure and Culture Dundee, Health and Safety	23/09/20
	• Internal Audit Report No. 2017/21 – E-mail Security	24/06/20
	• Internal Audit Report No. 2017/22 – Pentana	24/06/20
Progress Reviews	Completion of the annual exercise whereby formal assurances are obtained from management that internal audit recommendations have been implemented.	25/09/19
Specific Investigations	To respond to requests for advice and assistance as required in respect of cases of suspected fraud, corruption or malpractice.	Complete

2020/21 Internal Audit Plan – Progress Report

Not Yet Commenced	Planning	Fieldwork	Reviewing	Draft Report Issued	Planned Days Utilised / Scrutiny Committee Date
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2020/21 INTERNAL AUDIT PLAN	Proposed Coverage	Status
Governance Reviews		
Dundee Health and Social Care Partnership	To support the Dundee Integration Joint Board (IJB) Chief Internal Auditor through the provision of internal audit reviews on the IJB Internal Audit Plan.	
Brexit*	Review the arrangements in place to assess and report on the potential impacts of Brexit, including the development and implementation of a comprehensive contingency plan.	
Waterfront Project*	High level review of the governance arrangements in place to manage, monitor and report on the £1 billion waterfront regeneration project.	
Project Management*	Review of the project management arrangements in place within the Council to ensure the efficient and effective planning, initiation, delivery, monitoring and evaluation of the Council's key ICT projects.	
Asset Management *	Review of the governance arrangements in place to manage the acquisition, utilisation and disposal of the Council's key assets.	
Tay Cities Deal*	Review of governance arrangements in conjunction with the internal audit services at other partner bodies as appropriate. Coverage to be planned and agreed.	
COVID-19 Recovery	Review to ensure that key business operations and their associated governance and control frameworks are appropriately and timeously established / re-established.	
Adult Support and Protection	To assess progress made towards implementing key recommendations for improvement identified in the Joint Inspection of Adult Support and Protection Report, published in July 2018.	
Leisure and Culture Dundee	High level review of the governance arrangements in place at Leisure and Culture Dundee against recognised good governance principles.	

2020/21 INTERNAL AUDIT PLAN	Proposed Coverage	Status
ICT Reviews		
Cyber Security	Review of the arrangements in place within the Council to ensure that cyber-crime and other associated security risks are appropriately mitigated.	
Data Centre	Provision of ongoing support surrounding the upgrade of data centres, including when appropriate, assessing achievement of expected outcomes.	
Keystone Asset Management*	Review to assess the effectiveness of the implementation of the CIVICA Keystone Asset Management system procured by Neighbourhood Services.	
Firmstep*	Review of the data security, reliability and other customer service outcomes relating to the cloud based Firmstep platform utilised by the Council to drive and support channel shift.	09/12/20
Systems Reviews		
Employability Pathway	Review of the arrangements in place to manage and monitor delivery of the Employability Pathway through the new Challenge Fund Framework.	09/12/20
Electoral Registration	Review of the arrangements in place for maintaining the electoral register in line with the 2020 revised annual canvassing arrangements and corresponding legislation.	
Respite Services*	Review of the arrangements in place for assessing the respite care and support needs of children with a disability and subsequent planning, scheduling and delivery of the required service provision.	09/12/20
Attendance Management*	Risk based review of the arrangements in place within services to ensure compliance with the Council's Policy on Promoting Health and Attendance and suite of supporting guidance.	
Corporate Complaints*	Review to assess compliance of the Council's complaints handling and reporting arrangements against the revised Model Complaints Handling Procedures, due to be introduced this year.	
Prescribed Medication*	Review of the arrangements in place within the Dundee Health and Social Care Partnership for administering prescribed medicines, including controlled drugs, for older people in care settings.	
Leadership, Training and Development*	High level review of the effectiveness of the Council's approach to providing staff with development opportunities which are proportionate, appropriate and of relevance to improving service delivery.	09/12/20
Homelessness	Review of the adequacy of the systems in place within Neighbourhood Services to ensure that it meets its statutory obligations in respect of homelessness and recording of associated outcomes.	

2020/21 INTERNAL AUDIT PLAN	Proposed Coverage	Status
Incident Management	High level review of the arrangements in place to manage health and safety incidents within the Children and Families service, including investigation and reporting procedures.	
Alphatec	Review to assess the operational effectiveness and logical security of the new Alphatec insurance management solution procured by the Council.	
Recruitment and Selection*	Review of the Council's recruitment and selection process, including policies and procedures, training of employees involved in the process and arrangements in place to mitigate recruitment fraud.	
Procurement / Contract Reviews		
Construction Services – Materials Purchasing	End to end review of the materials requisitioning, purchase ordering, invoicing and payment process in place for Construction Services.	
Purchasing	Review to assess the adequacy and effectiveness of the purchasing controls in place within the Council, including responsibilities and associated authorisation levels and permissions.	
Financial Reviews		
Payroll	Review of the control framework in place to ensure ongoing accuracy of the Council's payroll, including arrangements for confirming active employees, rates of pay, variations and deductions.	
Capital Plan	To assess the monitoring and reporting arrangements in place at both a corporate and service level for the general services capital programme contained within the Capital Plan.	
Scottish Welfare Fund	Review of the arrangements in place within the Council to manage the Scottish Welfare Fund Crisis Grants and Community Care Grants in line with Scottish Government guidance.	
Grant Claims	<p>To provide confirmation for specified grant claims that the required terms and conditions have been complied with.</p> <ul style="list-style-type: none"> - 2019/20 Grant Claim: Local Authority Air Quality Action Plan - 2019/20 Grant Claim: Local Air Quality Management 	<p>24/06/20</p> <p>24/06/20</p>
Stocks and Inventories	Review of arrangements in place to ensure that procedures and processes are in line with Council guidance and records are complete and accurate.	

2020/21 INTERNAL AUDIT PLAN	Proposed Coverage	Status
Contingency		
Advice and Guidance	Provision of ad-hoc support to assist services in respect of specific queries and contribute to the delivery of improvements in the Council's framework of governance, risk management and control, including the provision of advice and guidance surrounding the development of new or changed systems and processes established to respond to the continuously evolving COVID-19 environment.	Ongoing
Follow-up Reviews	Specific reviews undertaken by internal audit staff to provide formal assurances to management and Elected Members that recommendations previously agreed have been implemented.	
	<ul style="list-style-type: none"> Internal Audit Report No. 2016/09 – Follow-up Review of Business Continuity* 	
	<ul style="list-style-type: none"> Internal Audit Report No. 2017/08 – Out of Hours Service 	
	<ul style="list-style-type: none"> Internal Audit Report No. 2017/26 – Follow-up Review of Sub-contractors 	
	<ul style="list-style-type: none"> Internal Audit Report No. 2018/04 – Housing Capital Plan 	
	<ul style="list-style-type: none"> Internal Audit Report No. 2018/06 – GDPR (plus Breach Reporting arrangements) 	
	<ul style="list-style-type: none"> Internal Audit Report No. 2019/01 – Transformational Change 	
Progress Reviews	Completion of the annual exercise whereby formal assurances are obtained from management that internal audit recommendations have been implemented.	09/12/20
PSIAS Self-assessment	To ensure conformance with the PSIAS, conduct a self-assessment of the Council's Internal Audit Service against the PSIAS utilising the revised external quality assessment framework.	Complete
Specific Investigations	To respond to requests for advice and assistance as required in respect of cases of suspected fraud, corruption or malpractice.	Ongoing

