

**REPORT TO: SCRUTINY COMMITTEE – 8 DECEMBER 2021**  
**REPORT ON: INTERNAL AUDIT PLAN PROGRESS REPORT**  
**REPORT BY: ACTING SENIOR MANAGER – INTERNAL AUDIT**  
**REPORT NO: 355-2021**

**1.0 PURPOSE OF REPORT**

To submit to Members of the Scrutiny Committee an update on the progress towards delivering the 2020/21 and 2021/22 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 Acting 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 Acting Senior Manager – Internal Audit reports administratively) and the Corporate Finance Management Team. This is the second report submitted to Scrutiny Committee during 2021/22 providing a progress update against individual audit assignments.

4.3 The 2020/21 Internal Audit Plan is almost fully complete, with just one audit outstanding (Adult Support and Protection) which is at draft report issued stage). In relation to progress towards delivering the 2021/22 Internal Audit Plan, 17 (56.67%) of the 30 individual assignments and 3 (60%) of the 5 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 2021/22 Internal Audit Plan is also complete. For further information in relation to progress towards delivering the 2020/21 and 2021/22 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

David Vernon, Acting Senior Manager – Internal Audit

DATE: 15 November 2021



## 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
<b><i>Governance Reviews</i></b>		
IJB / 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.	10/02/21
	<ul style="list-style-type: none"> <li>• Finance</li> <li>• Performance Management</li> </ul>	08/12/21
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.	22/09/21
Waterfront Project	High level review of the governance arrangements in place to manage, monitor and report on the £1 billion waterfront regeneration project.	23/06/21
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.	23/06/21
Asset Management	Review of the governance arrangements in place to manage the acquisition, utilisation and disposal of the Council's key assets.	23/06/21
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.	23/06/21
COVID-19 Recovery**	Review to ensure that key business operations and their associated governance and control frameworks are appropriately and timeously established / re-established.	23/06/21
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.	23/06/21

2020/21 INTERNAL AUDIT PLAN	Proposed Coverage	Status
<b>ICT Reviews</b>		
Cyber Security	Review of the arrangements in place within the Council to ensure that cyber-crime and other associated security risks are appropriately mitigated.	23/06/21
Data Centre	Provision of ongoing support surrounding the upgrade of data centres, including when appropriate, assessing achievement of expected outcomes.	22/09/21
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
<b>Systems Reviews</b>		
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
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.	23/06/21
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.	28/04/21
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.	23/06/21
Alphatec	Review to assess the operational effectiveness and logical security of the new Alphatec insurance management solution procured by the Council.	28/04/21
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.	23/06/21

2020/21 INTERNAL AUDIT PLAN	Proposed Coverage	Status
<b><i>Procurement / Contract Reviews</i></b>		
Construction Services – Materials Purchasing	End to end review of the materials requisitioning, purchase ordering, invoicing and payment process in place for Construction Services.	28/04/21
<b><i>Financial Reviews</i></b>		
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.	10/02/21
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.	08/12/21
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"> <li>- 2019/20 Grant Claim: Local Authority Air Quality Action Plan</li> <li>- 2019/20 Grant Claim: Local Air Quality Management</li> </ul>	<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.	Advice provided

2020/21 INTERNAL AUDIT PLAN	Proposed Coverage	Status
<b>Contingency</b>		
Follow-up Reviews	<p>Specific reviews undertaken by internal audit staff to provide formal assurances to management and Elected Members that recommendations previously agreed have been implemented.</p> <ul style="list-style-type: none"> <li>• Internal Audit Report No. 2016/09 – Follow-up Review of Business Continuity</li> <li>• Internal Audit Report No. 2017/08 – Out of Hours Service</li> <li>• Internal Audit Report No. 2017/26 – Follow-up Review of Sub-contractors</li> <li>• Internal Audit Report No. 2018/04 – Housing Capital Plan</li> <li>• Internal Audit Report No. 2018/06 – GDPR (plus Breach Reporting arrangements)</li> <li>• Internal Audit Report No. 2019/01 – Transformational Change</li> </ul>	<p>10/02/21</p> <p>10/02/21</p> <p>23/06/21</p> <p>10/02/21</p> <p>28/04/21</p> <p>10/02/21</p>
Progress Reviews	Completion of the annual exercise whereby formal assurances are obtained from management that internal audit recommendations have been implemented.	Complete
Specific Investigations	To respond to requests for advice and assistance as required in respect of cases of suspected fraud, corruption or malpractice.	Complete

\*\* reported together

## 2021/22 Internal Audit Plan – Progress Report

Not Yet Commenced	Planning	Fieldwork	Reviewing	Draft Report Issued	Planned Days Utilised / Scrutiny Committee Date
2021/22 INTERNAL AUDIT PLAN		Proposed Coverage			Status
<b><i>Governance Reviews</i></b>					
Dundee Integration Joint Board	To support the Dundee Integration Joint Board (IJB) Chief Internal Auditor through the provision of internal audit reviews on the IJB Internal Audit Plan.				
Covid-19 Recovery	Further review to ensure that key business operations and their associated governance and control frameworks are appropriately and timeously established / re-established.				
Legislative and Regulatory Updates	Review of the arrangements in place within a sample of services to ensure that relevant new or changed legislative and regulatory requirements are identified and, where appropriate, addressed timeously.				
Staff Wellbeing	Review of the governance arrangements in place throughout the Council to promote and support staff wellbeing.				
Workforce Management	Review of the arrangements in place for workforce management throughout the pandemic, including the development and implementation of remobilisation plans.				
Tayside Contracts	High level review of the governance arrangements in place to manage and monitor the Council's partnership with Tayside Contracts, including current billing arrangements.				
Business Continuity Planning	Review of service-level business continuity plans to ensure they have been updated in the context of Covid-19 and reflect, where appropriate, lessons learned locally, nationally and internationally.				
<b><i>ICT Reviews</i></b>					
Cyber Security	Further review of key elements of the Council's cyber security arrangements, in place to ensure that cyber-crime and other associated security risks are appropriately mitigated.				
Schools IT Network	Review of information security and remote access controls on devices used on the school network.				

2021/22 INTERNAL AUDIT PLAN	Proposed Coverage	Status
<b>ICT Reviews (continued)</b>		
Gladstone MRM System	Review of the MRM system utilised by Leisure and Culture Dundee for customer booking, payment, management reporting and reconciliation purposes to ensure data integrity and income maximisation.	
<b>Systems Reviews</b>		
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.	
Self Directed Support	Review of the Council’s approach to fulfil its statutory obligation to offer, those who are eligible, greater choice and control over the support required to meet their needs.	
Low Emission Zones	Review of the forthcoming Low Emission Zone proposals to ensure they are in line with legislation, evidence based and effectively aligned to City Centre development plans.	
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.	22/09/21
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.	
Compliance	Review of area(s) yet to be determined following conclusion of the new Control Self-Assessment review process managed by the Council’s Compliance Group.	
MASH & Intake Service	Holistic review of the roles and responsibilities of the Multi-Agency Screening Hub and Intake Service within Children and Families, including how they interact with one another and the wider service.	
Permanence	High level review of the arrangements in place to support the decision-making process surrounding children being placed in permanent care and ensure compliance with relevant legislation.	
Early Learning and Childcare Expansion	Review of the arrangements in place to ensure that the Council’s statutory obligation of providing 1140 hours of funded early learning and childcare entitlement is available to all eligible children.	
Fire Risk Assessments	Review of the processes, procedures and controls in place within the Council to manage and monitor delivery of fire risk assessments in line with relevant legislation.	



2021/22 INTERNAL AUDIT PLAN	Proposed Coverage	Status
<b><i>Procurement / Contract Reviews</i></b>		
Government Procurement Cards	Review of the internal controls in place to manage and monitor the use of government procurement cards, including the authorisation of card transactions.	
Fleet Management Procurement	End to end review of the requisitioning, purchase ordering, invoicing and payment process in place for supplies, including vehicle parts, within Fleet Management.	
Social Work Contracts and Payments	Review of contract management and commissioning arrangements, including payments, within Dundee Health and Social Care Partnership to assess their adequacy and effectiveness.	
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.	
<b><i>Financial Reviews</i></b>		
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.	
Interment Fees	End to end review of the Council's interment fees process, operated within Neighbourhood Services and Corporate Services, including how it interfaces with Civica Financials.	
Car Parking Income	Review of the processes and procedures operated in respect of contactless payments for car parking, including income reconciliation procedures.	
Covid-19 Funding	High level review of the arrangements in place within the Council to track and monitor the portfolio of different Covid-19 funding streams.	
Grant Claims	To provide confirmation as First Level Controller that the required terms and conditions have been complied with for the INTERREG Create Converge Project.	<b>Work complete</b>
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.	<b>22/09/21</b>

2021/22 INTERNAL AUDIT PLAN	Proposed Coverage	Status
<b>Contingency</b>		
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. This will include the ongoing 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, as well as the Covid-19 business support grants.	
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"> <li>Internal Audit Report No. 2018/07 - Climate Change</li> </ul>	
	<ul style="list-style-type: none"> <li>Internal Audit Report No. 2018/18 - Integrated Impact Assessments</li> </ul>	
	<ul style="list-style-type: none"> <li>Internal Audit Report No. 2018/30 - MOSAIC</li> </ul>	
	<ul style="list-style-type: none"> <li>Internal Audit Report No. 2019/05 - Travel and Subsistence</li> </ul>	
Progress Reviews	Completion of the annual exercise whereby formal assurances are obtained from management that internal audit recommendations have been implemented.	Complete
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
External Quality Assessment Process	As part of the peer review process developed to ensure conformance with the PSIAS, deliver an external quality assessment of the internal audit service provided in another Scottish Local Authority.	
Specific Investigations	To respond to requests for advice and assistance as required in respect of cases of suspected fraud, corruption or malpractice.	
Internal Audit Tender Exercise	Completion of tender evaluation, including presentations and award.	