

ANGUS COUNCIL

SCRUTINY & AUDIT COMMITTEE – 27 OCTOBER 2022

REVISION OF 2022/23 ANNUAL INTERNAL AUDIT PLAN

REPORT BY CATHIE WYLLIE - SERVICE LEADER - INTERNAL AUDIT

ABSTRACT

This report submits the Service Leader's proposals for revision of audit work during 2022/23 following changes in the Internal Audit Team.

1. RECOMMENDATIONS

It is recommended that the Scrutiny & Audit Committee:-

- (i) Note that the proposed changes to work for 2022/23 have been developed using a risk-based approach.
- (ii) Note that the work identified should allow the Service Leader - Internal Audit to provide an Annual Internal Audit Opinion in June 2023 without limitation of audit scope. This position will be kept under review.
- (iii) Consider and approve the proposed changes to the 2022/23 internal audit plan.

2. ALIGNMENT TO THE COUNCIL PLAN

The proposals set out in this report will contribute to the achievement of the corporate priorities set out in the Council Plan. This is achieved through delivery of this audit plan providing the Scrutiny & Audit Committee with information and assurance about council internal control systems, governance and risk management.

3. BACKGROUND

3.1 In terms of the Public Sector Internal Audit Standards (PSIAS), the Service Leader – Internal Audit is required to set a risk-based audit plan sufficient to provide the required assurances to members and officers in relation to corporate governance, risk management and internal controls. Report 78/22 Annual Internal Audit Plan 2022-23 was approved at the 1 March 2022 Scrutiny & Audit committee meeting.

3.2 There have been several changes in the internal audit resource for 2022/23 since the plan was agreed. The changes and mitigating action taken are noted in the bullets below. In addition to the mitigating action, a slight reduction in planned work for 2022/23 is also required.

- One (1.0 FTE) member of the internal audit team is seconded out of the internal audit service for the period from 1 August 2022 to 31 January 2023. To mitigate this a part-time team member has increased their hours by one day per week for this period, i.e. an additional 0.2 FTE. Additionally, the Policy & Resources Committee on 30 August approved a contract award to Azets for 30 days general audit work support.
- One member of the counter fraud team has been seconded to Finance for half a day per week from mid-September 2022 to August 2023 (0.1 FTE). A part-time member of the counter fraud team has agreed to work an additional half day (0.1 FTE) to mitigate this.
- Following a request for assistance from Dundee City Council it has been agreed that the Service Leader Internal Audit will be seconded to undertake the Head of Audit role

there for 2 days a week. This will start in October and last for one year. Mitigating action includes that the Team Leader Internal Audit will act up for an average of a day a week (0.2FTE), and that some work currently undertaken by both post holders will stop or be delayed. The arrangement will be regularly reviewed, with a full-scale review to be undertaken in a year's time. Further information about this arrangement is included in the October Internal Audit Activity Update Report 351/22

- Illness impacted the team from April 2022 to mid-July 2022, resulting in delay in finalising a number of 2021/22 audits.

4. PROPOSALS

4.1 It is proposed to remove two audits from the plan:

- Procurement
- Consultancy review of Service Design work with external consultant

Procurement

4.2 The plan noted that the Procurement audit scope would be agreed following the service review that is being undertaken. Given that a review is underway, and that no specific scope was agreed, this audit can be removed from the plan and be taken forward for consideration in the 2023/24 plan.

Consultancy review of Service Design work with external consultant.

4.3 This review was initially planned as a post-implementation review of the involvement of Ignite consultant's support in applying Service Design (SD) methodology to a number of change projects in the Council and Community Planning Partnership. The consultants provided training, methodology, support to individual projects, overall project management and regular update meetings and progress reporting for management.

4.4 An Oversight Group of senior managers was established and whilst the Service Leader Internal Audit did not attend all of the meetings, it was apparent from those that were attended that good governance was established and implemented to undertake oversight of delivery of the projects included in the initiative, including monthly reporting to the Council's Change Board. Training was provided to all staff involved in the reviews and the training resources developed are available for future SD projects.

4.5 The consultant worked with council officers to produce two reports at the end of their tenure which provided us with a detailed summary of progress with the overall SD programme and key learning points from the process. These were discussed by the Change Board in June and July and a further report from the Oversight Group considering Next Steps for Service Design was discussed at the Change Board/CLT meeting on 23 August. Actions were identified for immediate implementation to capitalise on the work done to date.

4.6 Further consideration of the learning identified will be given by the Change and Organisational Development Managers in further developing the Change Programme Improvement Plan. This will ensure that we maximise learning from this in our approach to change and change management in future.

4.7 Key messages from the work done are that we need to:

- improve our relative prioritisation of change projects and
- free up staff time from day-to-day management and delivery to allow sufficient capacity to undertake and implement reviews within a reasonable timeframe.

4.8 Based on the actions taken and currently underway there is limited additional benefit to further review of the process by Internal Audit and it is proposed to remove this from the plan.

5. FINANCIAL IMPLICATIONS

There are no financial implications arising directly from this report. Delivery of the internal audit plan, and the cost of mitigating actions, can be achieved from the audit resources which have been budgeted for in financial year 2022-23.

6. EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment is not required.

Background Papers

[Report 78/22 Annual Internal Audit Plan 2022/23](#)
[Report 206/22 Appendix 1 Angus Council Risk Dashboard](#)

Report Author Cathie Wyllie, Service Leader – Internal Audit
EMAIL address ChiefExec@angus.gov.uk