

COMMITTEE	AUDIT AND GOVERNANCE COMMITTEE
DATE	14 FEBRUARY 2019
TITLE	DRAFT INTERNAL AUDIT PLAN 2019/20
PURPOSE OF THE REPORT	TO PRESENT THE DRAFT INTERNAL AUDIT PLAN FOR THE YEAR 1 APRIL 2019 – 31 MARCH 2020
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ACTION	TO APPROVE THE PLAN IN THE APPENDIX

1. INTRODUCTION

- 1.1 The draft work plan for Internal Audit for the financial year 2019/20 is presented to the Audit and Governance Committee for comment and approval.
- 1.2 This report explains the factors that were considered and the process used to produce the plan that is presented to the Committee.

2. INTERNAL AUDIT'S PURPOSE

- 2.1 The purpose of the Internal Audit service is:

To give confidence to the citizen and the Council on the Council's control environment and governance arrangements through independent and objective reporting to the Head of Finance and the Audit and Governance Committee

- 2.2 When preparing this plan, therefore, consideration was given to what the service needs to do in order to achieve this purpose.
- 2.3 The Unit only has limited resources; the staffing resource of the Unit is 7 full-time posts, and two temporary auditors to cover maternity leave and additional resources were provided by the Head of Finance as three officers are training at the same time. This makes it increasingly important that the service is directing its resources to the right place.
- 2.4 Therefore, in order to ensure that we are reviewing the right things, consideration was first given to the Corporate Risk Register and to departmental risk registers. This is to ensure that the Council's key controls in order to deal with its main risks are addressed. In that regard, we have worked closely with the Insurance and Risk Unit, which as part of their role ensure that these registers are updated regularly.

2.5 The result of this was to prepare an initial draft plan, which has been discussed with each Head of Department (or departmental management team in some cases). This was an opportunity to refine the plan further, before preparing the draft plan that is presented to the Audit and Governance Committee.

2.6 During 2019/20, Internal Audit will also give appropriate consideration to the following:

- Ensuring that the service contributes to Ffordd Gwynedd reviews, as the need arises, in order to ensure the success of the Council's culture change.
- Will be aware at all times of the potential occurrence of fraud or corruption. We will therefore take advantage of the National Fraud Initiative, and undertake proactive fraud prevention work.
- Continue to address specific grants, particularly where the conditions of the grant expect an Internal Audit review.

This has been reflected in the plan.

3. RESOURCES AVAILABLE

3.1 It is projected that approximately 766 days of audit resources will be available to complete the 2019/20 audit plan. This is on the basis of analysis of the staffing resources available, including reasonable allowances for “unproductive” work such as holidays, illness, training, management and meetings and after considering the following provisions:

	2019/20	2018/19
Provision for advising on controls and propriety	55 days	55 days
Provision for responsive work	40 days	30 days
Provision for follow-up	50 days	50 days

4. RECOMMENDATION

4.1 The Committee is requested to approve the draft audit plan for the period 1 April 2019 to 31 March 2020.

DRAFT INTERNAL AUDIT PLAN 2018/19

Audit	Reason	Days
CORFFORAETHOL		
Supporting Ffordd Gwynedd Reviews	To provide advice and support to staff and managers on issues regarding risk management and internal control. (A “Ffordd Gwynedd” approach will be taken towards all Internal Audit work)	20
Proactive Prevention of Fraud and Corruption and the National Fraud Initiative	Work is to be undertaken to ensure that robust arrangements are in place for dealing with the risks of fraud and corruption and the National Fraud Initiative which is run by the Wales Audit Office.	40
Value for Money	A value for money review in a specific area.	20
Safeguarding Arrangements	A review of the training arrangements on the range of safeguarding modules.	15
Safeguarding of Children and Vulnerable Adults – Establishments	Provision for conducting “Safeguarding” reviews when visiting establishments.	4
Culture and Ethics	The findings of the audit will denote if the Ffordd Gwynedd principles have permeated through the establishment.	15
Information Management – Establishments	Provision for conducting “Information Management” reviews when visiting establishments.	6
Women in Leadership	One of the Council’s main improvement priorities – the review will focus on which projects are in progress.	5
Overtime	Verify that overtime payments are paid at the correct rate and that they are appropriate.	25
Travelling Expenses – Self-service	A review of monitoring arrangements.	5
EDUCATION		
<i>Resources</i>		
Post-16 provision in Schools Grant	Requirement under the financial terms and conditions.	3
Post – 16 Budgeting Arrangements	The review is included at the request of the Head of Education.	10
Pupil Development Grant	The PDG has not been incorporated in the Education Improvement Grant; therefore it will be necessary to carry out a separate audit.	10

Audit	Reason	Days
Education Improvement Grant for Schools	The grant is an amalgamation of many grants previously awarded from the Welsh Government.	15
School Trust Funds	A review of trust funds including the administrative arrangements.	5
Schools		
Ysgol Hafod Lon	The school has a substantial budget.	12
Ysgol Pendalar	The school has a substantial budget.	12
Appointment and Cost of Supply Teachers – Secondary	A review of the current arrangements	25
School Funds	A review of Gwynedd schools' funds.	20
Schools - General	Annual provision for work involving providing advice and support.	5
GwE		
Value for Money	A review of payments and value for money.	20
ENVIRONMENT		
Environment		
AONB Grant	Verify the management arrangements to ensure that the Management Plan is accomplished.	10
Planning		
Section 106 Agreements	Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as S106 Agreements, are a mechanism which make a development proposal acceptable, that would not otherwise be acceptable.	15
Transportation and Street Care		
Road Safety Unit	The Unit is subjects to cuts, therefore a review to determine the effect on Service provision.	8
Transport – Post-16 Travelling Costs	A review of the current arrangements.	12
Council Land and Property		
Smallholdings	A review of the new management arrangements that came into force in 2018-19.	15
Category Management	A review of the arrangement for the procurement of asbestos contractors and PAT (Portable Appliance Testing) testers	15

Audit	Reason	Days
NORTH AND MID WALES TRUNK ROAD AGENCY		
<i>Across the department</i>		
Accreditations	Ensure that adequate arrangements are in place to monitor compliance with the expected standards.	15
CORPPORATE SUPPORT		
<i>Customer Contact and Registration</i>		
Use and Control of Social Media	A review of the arrangements to create accounts and monitor their contents.	8
Customer Relationship Monitoring	Review the arrangements for responding to complaints.	10
<i>Learning and Organisational Development</i>		
Staff Development Module (MoDS)	The Internal Audit Service will review the use of MoDS across the Council in 2019/20 as stated in the original report.	8
FINANCE		
<i>Across the department/corporate</i>		
IT System Security	It is intended to carry out checks on specific issues in Information Technology.	30
<i>Financial</i>		
Payments System – Change in Standing Data	It is vital that arrangements are in place to prevent an attempt for fraudulent payment.	10
<i>Accountancy</i>		
Bank Reconciliation	This area is vital for the timely closure of the accounts.	20
<i>Revenue</i>		
Benefits – Review of Key Controls	It is expected that the review will be of assistance to the external auditors when conducting their review of the Housing Benefit Subsidy claim.	12
Council Tax Self-service	Slippage from the 2018/19 plan due to a lack of IT resources to undertake the project.	10
Universal Credit	This has been identifies as an area of high risk in the Corporate Risk Register.	15

Audit	Reason	Days
ECONOMIY AND COMMUNITY		
<i>Community Regeneration</i>		
Welsh Church Fund	An independent check will be needed if the fund's income is over £25,000.	3
<i>Record Offices, Museums and the Arts</i>		
Lloyd George Museum Accounts	A requirement in accordance with the Charity Commission's regulations.	5
<i>Maritime and Country Parks</i>		
Harbours – Health and Safety	This is a high risk area.	5
Safety Measures - Parc Padarn	This area has been identified on the Corporate Risk Register.	3
<i>Major Projects</i>		
ARFOR	Cyngor Gwynedd is the lead body and it is intended to review the governance arrangements and the arrangements to verify expenditure.	8
Llanbedr Project	A review of the arrangements for managing the projects on a plan worth approximately £25m.	15
STEM Gogledd	A review of specific projects.	8
<i>Strategy and Development</i>		
North Wales Economic Ambition Board	The Board Governance arrangements – a Local Authority Joint Committee with representatives of key partners such as the North Wales and Mersey Dee Business Council, universities and further education colleges.	15
ADULTS, HEALTH AND WELLBEING		
<i>Homelessness and Supported Housing</i>		
Syrian Refugees Relocation Plan	A review of the arrangements for issuing cash.	8
Bed and Breakfast Costs	A review of payments made to ensure their appropriateness.	10
<i>Supporting People</i>		
Supporting People Grant	Requirement under the terms of the grant.	15
<i>Residential and Day</i>		
Plas Gwilym, Penygroes	All Council homes to be audited within a 3 year cycle (2019/20 is the third of three).	12

Audit	Reason	Days
Plas Pengwaith, Llanberis	All Council homes to be audited within a 3 year cycle (2019/20 is the third of three).	12
Bryn Blodau, Blaenau Ffestiniog	All Council homes to be audited within a 3 year cycle (2019/20 is the third of three).	12
Llys Cadfan, Tywyn	All Council homes to be audited within a 3 year cycle (2019/20 is the third of three).	12
Day Centres – Learning Disabilities	A review of both financial and non-financial arrangements at the centres.	25
CHILDREN AND SUPPORTING FAMILIES		
<i>Children and Families</i>		
Hafan y Sêr	A short respite unit located on the site of Ysgol Hafod Lon which opened in April 2018.	12
Payments to Foster Carers	A substantial amount is paid in this area.	12
Youth Clubs Accounts	A review to ensure that the accounts have been closed properly and that any debit cards have been returned.	8
HIGHWAYS AND MUNICIPAL		
<i>Across the department</i>		
Business Continuity Plan	This is a matter that's been highlighted in the Corporate Risk Register and the audit will encompass verifying the plan and ensure that policies have been established for specific items, e.g. salt.	12
<i>Highways Works</i>		
Bridges – Work Programme	Verifying the arrangements for programming the repair and maintenance and that it has been recognised in the Asset Management Plan.	10
<i>Municipal Works</i>		
Repair and Maintenance of Playing Areas	Ensure that appropriate arrangements are in place to maintain playing areas to mitigate the health and safety risks to users.	12
Public Conveniences and Partnerships with Community and Town Councils	In accordance with the Public Health (Wales) Act 2017, it is a requirement that the Council formulates a Public Conveniences Strategy by May 2019.	12

Audit	Reason	Days
GWYNEDD CONSULTANCY <i>Across the department</i> Accreditations	Ensure that adequate arrangements are in place to monitor compliance with the expected standards.	15
TOTAL DAYS		766