



**AMENDED INTERNAL AUDIT OPERATIONAL PLAN 2024-25**

Report by Chief Internal Auditor

**PURPOSE**

- 1.1 The purpose of the Report is to seek approval of the Comhairle's Audit and Scrutiny Committee to amend the Internal Audit Operational Plan covering period 2024-25.

**EXECUTIVE SUMMARY**

- 2.1 Public Sector Internal Audit Standards (PSIAS) require that Internal Audit produce a risk based Internal Audit plan for each year and that this be approved by the Audit & Scrutiny Committee. The work undertaken allows the formation of the Annual Assurance Statement which seeks to provide assurance over the adequacy and effectiveness of the Comhairle's framework of governance, risk management and control.
- 2.2 The Comhairle's Audit and Scrutiny Committee approved Internal Audit Operation Plan on the 23<sup>rd</sup> of April 2024. Due to the effects of the cyber incident still being felt in the Comhairle as well as the Internal Audit section we are seeking to amend the operational plan for 2024-25 to take cognisance of the challenges faced in services.
- 2.3 We are requesting that three audits from the original operational plan are deferred until 2025/26, and undertaken, if possible, during this period instead, and a fourth audit removed from the plan for operational reasons. We anticipate completing 80% of the original operational plan, which is the annual target set as the key performance indicator.

**RECOMMENDATIONS**

- 3.1 **It is recommended that the Audit and Scrutiny Committee:**
  - (a) **Approve the amended Operational Plan for 2024-25.**

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Appendix: Internal Audit Operational Audit Plan 2024-25  
Background Papers: Internal Audit Strategic Plan 2023-26

## IMPLICATIONS

4.1 The following implications are applicable in terms of the Report.

<b>Resource Implications</b>	<b>Implications/None</b>
Financial	None
Legal	Public Sector Internal Audit Standards (PSIAS) are mandatory. UK Public Sector PSIAS have been developed to apply across the whole of the public sector in all sectors of government. The PSIAS are based on standards issued by the Institute of Internal Auditors (IIA), with additional requirements and interpretations that make them directly applicable to the UK public sector. The PSIAS are developed jointly by the relevant internal audit standard setters (RIASS) which include local government.
Staffing	None
Assets and Property	None
<b>Strategic Implications</b>	<b>Implications/None</b>
Risk	<p>A three-year Strategic Audit Plan 2023-2026 was submitted to the Audit and Scrutiny Committee on 9 February 2023. The Operational Plan is reported to the Committee at every series of meetings and any impacts to the delivery of the plan are highlighted.</p> <p>The current complement of two qualified members of staff and one trainee are not sufficient to meet the needs of the Comhairle in addressing all High, Medium/High and Medium risk reviews. Any staff absences could impact on delivery of the Plan.</p>
Equalities	None
Corporate Strategy	By complying with the mandatory Public Sector Internal Audit Standards (PSIAS), the Internal Audit team work towards the outcomes to meet strategic priority <i>"4.1.1 The Comhairle has achieved a systematic approach to improving organisational effectiveness that aligns strategy, people and processes and the service provided is high quality, continually improving and cost effective."</i>
Environmental Impact	None
Consultation	<p>The following officers were included in the assessment of risk and formation of the Strategic Audit Plan:</p> <p>All of the Corporate Planning Team and Heads of Service, together with input from information contained within the Corporate Risk Registers.</p>

## **BACKGROUND**

- 5.1 A professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector. Appropriate plans must be prepared to provide those charged with governance the necessary assurance or otherwise that controls, governance and risk are being effectively managed within the Comhairle.
- 5.2 The Comhairle's internal Audit section have produced a risk based Strategic Internal Audit Plan in consultation with senior management of the Comhairle. In doing so, audit resources are focused on areas of high and medium-high risk based on available resources.

## **DETAIL**

- 6.1 In preparing the Operational Internal Audit Plan for 2024-25, the Chief Internal Auditor has to consider the contents agreed within the approved Strategic Plan but also reflect on any new and conflicting pressures that the organisation is facing, its staff resources and any restrictions that may currently be in force.
- 6.2 We are requesting that three audits from the original operational plan are deferred until 2025/26, and undertaken if able to during this period instead. Two of these reviews were undertaken a reasonably short time period ago and therefore there is no urgency to revisit these. The third report relates to Budget setting and Medium/Long term financial planning, which is deemed not feasible to complete a review of in this financial year due to this being an ongoing piece of work. We still anticipate completing 80% of the original operational plan, which is the annual target set as the key performance indicator. The reviews we request to be deferred are:
  - Development Management (Planning)
  - Supply Teaching & Virtual Teaching
  - Budget Setting & Long/Medium Term Financial Planning

We also request that one audit be removed from the operational plan, this being:

- Residential Care Services – Goathill Care Home and Housing with Extra Care

The reason for requesting removal is that given the recent changes in provision, a new model is being developed for this area of Taigh Shipoirt. The new model will be auditable as part of the next Strategic Audit Plan

## **CONCLUSION**

- 7.1 The Amended Operational Internal Audit Plan for 2024-25 is attached at Appendix 1, which aims to complete 80% of the original operational plan as approved in April 2024.

## **Appendix 1 - Internal Audit Operational Plan 2024/25**

<b>Service</b>	<b>Audit Name</b>	<b>Audit Scope</b>	<b>Planned Days</b>
Chief Executive	Organisational Change, Redesign and Corporate Improvement	Review of the corporate improvement processes, as well as the management arrangements for changes to the establishment, including departmental restructuring	20
Chief Executive	External Funding	High Level review of external funding arrangements and agreements	15
Chief Executive	Strategic Procurement - Including Revenue Contracts	VFM review of processes relating to tenders, including compliance with regulations and policies	15
Chief Executive	Partnership Working Charters	Provide assurance that there are adequate corporate arrangements in place to manage key partnership risks and that for individual partnership arrangements	10
Economic and Community Regeneration	Development Management (planning etc)	Review of policies and procedures to ensure compliance with legislation	Deferred
Economic and Community Regeneration	Museum	High level VFM review	15
Economic and Community Regeneration	Marine Planning	Review of governance arrangements	15
Economic and Community Regeneration	Community Engagement Unit	High level review of the new Community Engagement Unit	25
Economic and Community Regeneration	Islands Deal - joint with Orkney & Shetland	Review of governance arrangements and claims processes	15
Education, Skills & Childrens Services	Special Education Compliance with Children (Scotland) Act & GIRFEC	Review of controls and procedures ensure reliability of statistical	20
Education, Skills & Childrens Services	Supply Teaching & Virtual teaching	High level review of Supply and Virtual teaching	Deferred
Health & Social Care Partnership	Social Work Services – Commissioning and Partnership Services	Review of management and governance, including policies, procedures, training and protocols	20
Health & Social Care Partnership	Residential Care Services – Goathill Care Home and Housing with Extra Care	High level review of Care at Home provision at new facility	Removed
Health & Social Care Partnership	Social Work Transport - Policy & Implementation	High level review of the Social Work Transport Policy and working arrangements	10



<b>Service</b>	<b>Audit Name</b>	<b>Audit Scope</b>	<b>Planned Days</b>
Health & Social Care Partnership	Medication Management	Review of medication management in the Health and Social Care Partnership	15
Investment Delivery	Lewis Care Projects (Stornoway and Rural Lewis)	High level project review	20
Strategic Finance	Payroll/Expenses	High level review of Payroll function and controls processes including transaction testing	20
Strategic Finance	Financial Assessment (Social Care)	Cyclical review to ensure assurance of the arrangements for undertaking Financial Assessments	15
Strategic Finance	Non domestic rates	High level review of NDR function and controls processes including transaction testing	15
Strategic Finance	Budget Setting & Medium/Long Term Financial Planning Strategy	Review of processes	Deferred
Assets & Infrastructure	Street lighting (Public lighting)	VFM Review	15
Assets & Infrastructure	Waste disposal & Refuse Collection (including Landfill Tax) incl Income Management	Review of service in relation to policies, priorities, risk assessments and delivery, and also the arrangements for the collection of income for Comhairle waste management	20
Assets & Infrastructure	Climate Change Net Zero Compliance	Review of compliance with Climate Change Net Zero policies	15
Corporate	Cyber-incident and response arrangements	Review of the Cyber-incident of November 2023 and the response arrangements	Contingency
<b>Total Days</b>			<b>305</b>