

**SUBJECT: INTERNAL AUDIT
OPERATIONAL PLAN, 2021/22
DRAFT**

**DIRECTORATE: Resources
MEETING: Governance & Audit Committee
DATE: 29th July 2021
DIVISION/WARDS AFFECTED: All**

1. PURPOSE

To receive and consider the draft Internal Audit Operational Audit Plan for 2021/22.

2. RECOMMENDATION(S)

That the Governance and Audit Committee reviews, comments on and approves the Draft Internal Audit Plan 2021/22.

3. KEY ISSUES

- 3.1 The Operational Plan is based on the Internal Audit Strategic Plan which outlines a programme of work that would enable the Internal Audit Team to cover all material audit risks across all services of the Council over a period of time.
- 3.2 The planning process takes into account all possible systems, processes, sections and establishments that could possibly be audited within Monmouthshire. Key parts of this process involve an annual review of the corporate risk register and consultation with Chief Officers and Heads of Services across the Authority inviting them to highlight any emerging or changing risk profiles within their own service areas.
- 3.3 Consideration is given to over 300 possible areas to audit across all services provided by Monmouthshire which are risk assessed and allocated a high, medium or low risk. The audit team staff resources would then be allocated to cover the higher ranked risks as a priority. That said, inevitably there will be reviews which the audit team have to undertake annually such as annual governance statement, mandatory grant claim audits and audit advice, which have also been incorporated into the plan, along with follow up reviews, finalisation work and planned work from previous year not undertaken.
- 3.4 An allocation of time will be included in the plan for special investigations where the team might receive allegations of fraud, theft, non compliance. The plan also needs to be flexible enough to respond to changes to risk

profiles and other developments in year; the audit management team will continually monitor this situation.

- 3.5 For 2021/22, the total available days amounted to 1383, based on 5.3 FTEs auditors in the team for the full year. An allowance for leave, sickness, maternity leave, training, management time and admin is deducted from this to give the total number of operational audit days in the year.
- 3.6 Total operational audit resources amounts to 812 days, which will be allocated across service directorates on a risk basis (summary shown at Appendix 1). This includes 115 days for special investigations and unplanned work. The work will be undertaken by 5.3 FTE audit staff. The available resource is based on all staff being in place for the whole of the year.
- 3.7 Although the time allocated to special investigations is usually a pressure point the 2021/22 allocation of days has been maintained to ensure appropriate coverage is given across service areas.
- 3.8 Chief Officers and Heads of Service were given the opportunity to contribute to and shape this plan. The first quarter generally includes finalisation of 2020/21 work which was at draft report stage at year end, work planned for 2020/21 but not completed, NFI co-ordination along with the collation of the Annual Governance Statement.
- 3.9 This plan may change as the year progresses if the risk profile of audit work changes. Any significant change will be brought back to the Governance and Audit Committee for approval. The Governance and Audit Committee will be kept updated with the progress against the agreed plan via quarterly reports.
- 3.10 The team is headed up by the Chief Internal Auditor and comprises of one Audit Manager supported by one Principal Auditor, two Senior Auditors and one Auditor. The Chief Internal Auditor has overall responsibility for the team and operates on a shared services arrangement with Newport City Council.
- 3.11 To seek to maximise performance against the plan, Audit Management will ensure audit reports are more focused and timely, that staff with the right skill sets are allocated to appropriate work and non-productive time is minimised.

4. REASONS

- 4.1 The draft 2021/22 Internal Audit Plan is attached at Appendix 2 to this report. Audit jobs within the plan have been risk assessed and prioritised. This will be reviewed on an annual basis in order to determine the appropriateness of the risk assessment each year where audit resources will be deployed to cover the higher risk reviews.
- 4.2 The Operational Plan has been updated to take account of:

- a) The Authority's latest Risk Assessment;
- b) New areas for inclusion in the Plan identified from changes to legislation and the regulatory framework for local government and from ongoing discussions with service managers;
- c) Areas of slippage from the 2020/21 Operational Plan; and
- d) The published Regulatory Plan produced by Audit Wales.

4.3 Each review will be risk assessed and categorised as High, Medium or Low risk. Within the cycle of audits the team would aim to cover the higher risk areas as a priority but also provide coverage across directorates with lower risk services. All fundamental financial systems may now not be covered on an annual basis, especially if they have been previously determined as well controlled, with no significant changes to the system or to personnel. We will ensure that these are incorporated within the plan every few years to provide ongoing assurance.

4.4 Consultation will be undertaken, with visits and email correspondence to the various managers and finance representatives of each directorate. As a result there may be further minor amendments to the Plan to reflect specific suggestions from various representatives of Chief Officers and Heads of Service.

4.5 The Operational Plan will be kept under review through the course of the year to identify any amendments needed to reflect changing priorities and emerging risks. Material changes to the Plan will be reported to the Governance and Audit Committee at the earliest opportunity.

4.6 An Annual Report will be prepared for the Governance and Audit Committee to provide appropriate assurance and details on the performance of the Section against the Operational Plan. Interim progress reports will also be provided to the Committee quarterly.

4.7 With effect from 1st April 2016 the revised Public Sector Internal Audit Standards came into force for all public sector bodies including local government organisations. The Chief Internal Auditor will ensure that the Audit Team continues to undertake its work in accordance with these Standards.

5. RESOURCE IMPLICATIONS

None.

6. CONSULTEES

Chief Officers

7. BACKGROUND PAPERS

Strategic Audit Plan
Public Sector Internal Audit Standards

8. AUTHORS AND CONTACT DETAILS

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**Monmouthshire County Council
Internal Audit Plan 2021/22**

Appendix 1

Summary	
Department/Directorate	Days
Chief Executive's	3
MonLife	34.5
People & Governance	12.5
Children & Young People	167
Enterprise	135
Resources	148
Social Care & Health	126
Corporate/Other	71
TOTAL	697
Special Investigations	114.5
TOTAL AUDIT OPERATIONAL DAYS	811.5

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Appendix 2

	Service Area	Subject	Type	Risk	Days	
Chief Execs						
	Policy, Performance & Scrutiny		Audit Advice		3	
			Chief Execs	Total		3
MonLife						
	MonLife	Shire Hall	Follow-up	M	7	
	MonLife	Old Station, Tintern	Follow-up	M	6	
	MonLife	Caldicot Castle	Follow-up	M	7	
	MonLife	Monitoring Implementation of Audit Recommendations	Follow-up		2.5	
	MonLife		Audit Advice		12	
			MonLife	Total		34.5
People & Governance						
	People	Attendance Management Follow-up	Finalisation of Report	M	3	
	People	Monitoring Implementation of Audit Recommendations	Follow-up		1.5	

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	Service Area	Subject	Type	Risk	Days	
	People		Audit Advice		6	
	Legal & Monitoring Officer		Audit Advice		2	
			People & Governance	Total		12.5
	Children & Young People					
	Schools	Castle Park Primary	Follow-up	M	8	
	Schools	Llandogo Primary	Follow-up	M	8	
	Schools	Archbishop Rowan Williams CiW Primary	New Audit	L	8	
	Schools	Dewstow Primary	New Audit	L	8	
	Schools	Durand Primary	New Audit	L	8	
	Schools	Llanvihangel Crucorney Primary	New Audit	L	8	
	Schools	Rogiet Primary	New Audit	L	8	
	Schools	King Henry VIII Comprehensive	New Audit	M	15	
	Schools	Monitoring Implementation of Audit Recommendations	Follow-up		40.5	
	Schools		Audit Advice		12	
	21st Century Schools		Audit Advice		1	
	Achievement & Extended Services	Early Years	New Audit		12	

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	Service Area	Subject	Type	Risk	Days	
	Achievement & Extended Services	Monitoring Implementation of Audit Recommendations	Follow-up		2.5	
	Achievement & Extended Services		Audit Advice		1	
	CYP Resources	School Improvement Grant	Grant Claim Audit	L	9	
	CYP Resources	Pupil Development Grant	Grant Claim Audit	L	8	
	CYP Resources	Monitoring Implementation of Audit Recommendations	Follow-up		2	
	CYP Resources		Audit Advice		8	
			Children & Young People	Total		167
Enterprise						
	Strategic Projects	Concessionary Travel	New Audit	M	12	
	Strategic Projects	Caldicot Town Centre Regeneration	New Audit	H	15	
	Strategic Projects		Audit Advice		4	
	Enterprise & Community Animation	Rural Programmes	New Audit	M	15	
	Enterprise & Community Animation	Housing Support Grant	Grant Claim Audit	M	10	

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	Service Area	Subject	Type	Risk	Days	
	Enterprise & Community Animation	Food Procurement	Follow-up		7	
	Enterprise & Community Animation	Monitoring Implementation of Audit Recommendations	Follow-up		2.5	
	Enterprise & Community Animation		Audit Advice		4	
	Placemaking, Housing, Highways & Flood	Disabled Facilities Grants	Completion of Work in Progress	M	8	
	Placemaking, Housing, Highways & Flood	Local Development Plan	New Audit	M	12	
	Placemaking, Housing, Highways & Flood	Civil Enforcement	New Audit	M	15	
	Placemaking, Housing, Highways & Flood	Monitoring Implementation of Audit Recommendations	Follow-up		3.5	
	Placemaking, Housing, Highways & Flood		Audit Advice		5	
	Neighbourhood Services	Street Lighting	Finalisation of Report	M	3	
	Neighbourhood Services	Stores	New Audit	M	10	
	Neighbourhood Services	Monitoring Implementation of Audit Recommendations	Follow-up		4	
	Neighbourhood Services		Audit Advice		5	
			Enterprise	Total		135

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	Service Area	Subject	Type	Risk	Days	
Resources						
	Finance	Purchasing Cards	Finalisation of Report	M	3	
	Finance	Budgetary Control (Revenue)	New Audit	H	18	
	Finance	Benefits	New Audit	H	18	
	Finance	Control, Suspense & Holding Accounts	New Audit	M	10	
	Finance	Fixed Assets	New Audit	M	12	
	Finance	Replacement BACS system	Consultancy	H	6	
	Finance	Monitoring Implementation of Audit Recommendations	Follow-up		7.5	
	Finance		Audit Advice		7	
	Payroll	Monitoring Implementation of Audit Recommendations	Follow-up		2	
	Payroll		Audit Advice		3	
	Digital	Replacement Telephony System	Consultancy	M	10	
	Digital		Audit Advice		2	
	Commercial, Property, Facilities & Fleet	Investments	Completion of Work in Progress	H	8	
	Commercial, Property, Facilities & Fleet	PTU Vehicle Maintenance	Follow-up	M	7	
	Commercial, Property, Facilities & Fleet	Health & Safety - Authority's Buildings	Follow-up	M	7	

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	Service Area	Subject	Type	Risk	Days	
	Commercial, Property, Facilities & Fleet	Fleet	New Audit	M	15	
	Commercial, Property, Facilities & Fleet	Monitoring Implementation of Audit Recommendations	Follow-up		4.5	
	Commercial, Property, Facilities & Fleet		Audit Advice		8	
			Resources	Total		148
Social Care & Health						
	Integrated Services	Internal Domiciliary Care	New Audit	M	15	
	Integrated Services	Direct Payments	Follow-up	M	10	
	Integrated Services	Carers Service	New Audit	M	12	
	Integrated Services	Respite Care	New Audit	M	12	
	Integrated Services		Audit Advice		12	
	Children's Services	Fostering	New Audit	H	15	
	Children's Services	Imprest Account Follow-up	Finalisation of Report	L	3	
	Children's Services	Monitoring Implementation of Audit Recommendations	Follow-up		2	
	Children's Services		Audit Advice		8	
	Transformation	New WCCIS system	Consultancy	H	10	
			Audit Advice		2	

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	Service Area	Subject	Type	Risk	Days	
	Social Services Finance Unit	Financial Assessments	Finalisation of Report	M	3	
	Social Services Finance Unit	Monitoring Implementation of Audit Recommendations	Follow-up		1	
	Social Services Finance Unit		Audit Advice		2	
	Public Protection	Track, Trace and Protect Team	New Audit		15	
	Public Protection	Monitoring Implementation of Audit Recommendations	Follow-up		2	
	Public Protection		Audit Advice		2	
			Social Care & Health	Total		126
Corporate						
	Cross Cutting	Culture & Ethics	Finalisation of Report	H	4	
	Cross Cutting	National Fraud Initiative	New Audit	H	22	
	Cross Cutting	Annual Governance Statement	New Audit		5	
	Cross Cutting	Agency Staff	Follow-up	H	12	
	Cross Cutting	Compliance with the Bribery Act	Follow-up	M	9	
	Cross Cutting	Monitoring Implementation of Audit Recommendations	Follow-up		16	
	Cross Cutting		Audit Advice		3	
			Corporate	Total		71

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	Service Area	Subject	Type	Risk	Days	
			TOTAL			697
			Special Investigations			114.5
			OVERALL TOTAL			811.5