

Dorset Council

Proposed Internal Audit Plan & Planning Approach Quarter 2 - 2020/21

Internal Audit Planning: A Revised Approach - Quarter 2 - 2020/21

As a result of the COVID-19 pandemic, SWAP has had to adapt and change its focus in the short-term.

This has involved the redeployment of SWAP staff directly into the Authority to assist with the response to the huge challenges faced.

Following liaison with SLT, we also effectively 'paused' our programme of internal audit work in March (through to the end of June) to allow the Authority to fully focus on the response effort.

With the Authority moving into a recovery phase from COVID-19, we are now looking to re-commence audit work in some areas; helping to assist with recovery efforts.

Revised Approach to Internal Audit Planning 2020/21

SWAP were due to present an internal audit plan covering the first six months of 2020/21 to the Audit & Governance Committee on the 24th March 2020. However, due to the COVID-19 outbreak and subsequent lockdown, this Committee was postponed.

Clearly a lot has changed since that date, and as such, an updated approach to internal audit work and planning has had to be implemented. The plan that had previously been prepared is likely to remain relevant in many respects, but the huge effort the Authority is undertaking in relation to response and recovery from COVID-19, is likely to push back a significant proportion of this work. As such, we have briefly set out below our updated approach to Internal Audit Planning in 2020/21:

Quarter 1 – 2020/21

In liaison with the Authority's Senior Leadership Team (SLT), we effectively 'paused' our programme of internal audit work in March (through to the end of June) to allow the Authority to fully focus on the response effort to COVID-19. Internal Audit staff were redeployed into areas of high need (Business Grant Payments & Registration Services). However, we did maintain a level of internal audit work including investigations and grant certifications.

Quarter 2 – 2020/21

With the Authority moving into a recovery phase from COVID-19, we are now looking to re-commence audit work in several areas; helping to assist with recovery efforts. However, we recognise there are still likely to be priority & capacity challenges in certain service areas, and as such Quarter 2 is likely to involve a hybrid approach in terms of supporting the Authority with recovery efforts, as well as re-commencing internal audit assurance work.

Quarter 3 onwards – 2020/21

Dependent on any future re-emergence or residual COVID-19 challenges faced by the Authority, from Quarter 3 onwards we will look to fully re-align our audit plan & work with the key corporate risks. As such, a further programme of work will be brought to the September meeting of the Audit & Governance Committee.

Internal Audit Planning: A Revised Approach - Quarter 2 - 2020/21

2020/21 will clearly present an exceptional year for the Authority (as well as SWAP).

The approach we take to our audit planning and work will need to remain flexible; looking to achieve a balance of supporting the Authority in response and recovery efforts, whilst maintaining our statutory internal audit role.

Revised Approach to Internal Audit Planning 2020/21 (continued)

It is the responsibility of the Authority's Senior Leadership Team, and the Audit & Governance Committee, to determine that the audit coverage contained within the overall programme of work across 2020/21 is sufficient and appropriate in providing independent assurance against the key risks faced by the organisation (*set in the context of the unprecedented challenges faced by COVID-19*).

When reviewing the revised internal audit planning approach, key questions for SLT and the Audit & Governance Committee to consider include:

- Does the revised planning approach achieve a proportionate balance between assisting the Authority with the unprecedented challenges it faces, whilst maintaining our statutory internal audit role and independence?
- Will the revised planning approach provide sufficient, independent assurance to monitor the organisation's risk profile effectively?

Further Planning detail

Our planning paper which was due to be presented at Audit & Governance Committee on 24.03.20 can be viewed here: (<https://moderngov.dorsetcouncil.gov.uk/documents/s18572/SWAP%20Internal%20Audit%20Planning%20Paper%20-%2024%20March%202020.pdf>).

The provides further detail with regards to our internal audit planning process, the internal audit service from SWAP (including quality assurance and our performance), as well as our Internal Audit Charter which is presented annually. It also introduced the concept of Agile Auditing, which we will be looking to embrace throughout 2020/21.

Internal Audit Planning: A Revised Approach - Quarter 2 - 2020/21

Our documented risk assessment helps to ensure that sufficient and appropriate areas are identified for consideration in our internal audit programme of work.

As above, it is the responsibility of the Authority's Senior Leadership Team, and the Audit & Governance Committee to ensure that, with consideration of our risk assessment, the overall programme of work throughout the year contains sufficient and appropriate coverage.

Internal Audit Risk Assessment (updated)

Our original 2020/21 internal audit programme of work was based on the documented risk assessment below.

We have now updated this to highlight key areas where we believe the risk profile has increased following the COVID-19 pandemic (included in bold), as well as any new risk areas (included in italics):



It should be noted that the audit titles and high-level scopes included below are only indicative at this stage for planning our resources. At the start of each audit, an initial discussion will be held to agree the specific Terms of Engagement for the piece of work, which includes the objective and scope for the review.

Areas of Coverage and Brief Scope	Senior Leadership Team Lead	Priority (H, M, L) and Proposed Timing (Earlier, Later)
School Transport Assurance over the setting, monitoring and projection of the SEN and mainstream school transport budgets	Theresa Leavy	Higher/ Earlier
Protection of Property/Assets Provide advisory support with the handling of valuables & money resulting from Protection of Property cases	Gill Vickers	Higher/ Earlier
Infection Control Funding Assurance Provide assurance over the allocation & oversight of Infection Control Funding to Care Providers	Aidan Dunn	Higher/ Later
Test and Trace Funding Assurance Assurance over the use of the £1.3M to fund test and trace capabilities within Dorset	Sam Crowe	Higher/ Later
Coroners A review of the shared arrangements between DC and BCP	John Sellgren	Medium/ Earlier
Harbours Provide advisory support on the Harbour Service convergence and transformation project	John Sellgren	Medium/ Earlier
Waste Operator's Licence To undertake a compliance/health check audit to ensure the risk of licence revocation is minimised	John Sellgren	Medium/ Earlier
Grant Certifications Certifying grant claims, to include Troubled Families, LEP Gateway Growth Hub	Aidan Dunn	Medium/ Ongoing
Data Analytics Use of data analytics to provide assurance over duplicate payments and the use of one-time vendor payments	Aidan Dunn	Medium/ Ongoing
Assurance work over the Authority's COVID-19 recovery plan; specifically gains made and lessons learnt	John Sellgren	Higher/ Later
Further requested assurance/ advisory/ support work, as required	SLT	Higher/ Ongoing
Reactive investigations & independent complaint support work, as required	SLT	Medium/ Ongoing