

Appendix 2 Internal Audit Annual Plan 2019/20

| AUDIT | 2019/20 (Days) | COMMENTARY |
|--------------------------------------|-------------------|---|
| Corporate Governance | | |
| Corporate Governance | 30 | Continuous audit approach on compliance with the Local Code of Corporate Governance, progress on improvement action plans and support to Audit and Scrutiny Committee. Annual evaluation against Local Code of Corporate Governance covering the corporate whole and individual Service Directorates. Engagement in the review of the associated code of governance documents e.g. Scheme of Delegation, Scheme of Administration, Procedural Standing Orders, Financial Regulations, and Codes of Conduct for Councillors and for Employees. |
| Information Governance | 25 | Continuous audit approach performing 'critical friend' role through the review of the Information Governance framework including roles and responsibilities for the different data controllers (including Assessor ERO), policy development and implementation, and assess compliance with the General Data Protection Regulations (GDPR). Provide annual assurance to the Senior Information Risk Owner (SIRO). |
| Performance Management | 25 | Provide independent validation of performance indicators and benchmarking information to support self-assessment and continuous improvement of the Council's services, specifically to ensure accuracy of data submitted for either Local Government Benchmarking Framework or Corporate Priorities PIs and Assessors performance monitoring and reporting. |
| Corporate Transformation | 30 | Continuous audit approach performing 'critical friend' role through input to the Corporate Transformation Programme to influence the governance and accountability arrangements, including processes for benefit (financial and other) identification, tracking and realisation (return on investment and value for money), and evaluation of outcomes and lessons learned. A series of Gateway Reviews will be carried out to provide assurance that the Transformation Programme remains on a sound footing. |
| Contracting & Procurement | 15 | Review of the Council's Contract Management Framework to ensure that there are adequate and effective controls in place over Contract Monitoring arrangements throughout the Council, including arms-lengths external organisations, sports trusts and strategic arrangements with third parties. |
| Health and Safety | 15 | The Council is complying with relevant Health and Safety legislation, has a structured approach to Health and Safety awareness, including review of the new Health and Safety Management system (LEXI) to ensure there are adequate and effective controls in place for health and safety. |
| Attendance Management | 10 | There are adequate controls in place to manage short and long term absences to minimise the impact on service delivery. |
| | 150 | |

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|-------------------------------|-------------------|---|
| Financial Governance | | |
| Payroll | 25 | Compliance testing of controls at Service level, including Business World assurance work on Payroll processes. |
| Sales to Cash | 10 | Review of income management controls in place throughout the Council to set fees and charges for services, raise invoices promptly, and collect debts efficiently resulting in debtors' balances that are complete, accurate and recoverable including review of VAT treatment. Business World assurance work on Sales to Cash processes. |
| Procurement to Payment | 25 | Review of purchase to payment processes at Service level including authorisation to test compliance and review of VAT treatment. Business World assurance work on Procure to Pay processes. |
| Record to Report | 15 | Assurance work on Record to Report processes to determine if expected improved internal financial controls via the Business World ERP system are being achieved. Key controls work relating to core General Ledger and Management Reporting. |
| Members Allowances | 10 | Adequate controls are in place to ensure Members allowances and expenses are accurate, and are paid correctly and timely. |
| | 85 | |

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| ICT Governance | | |
| ICT Security | 40 | Assess the adequacy of the ICT security arrangements including: physical and environmental controls; disaster recovery; third party access; operational controls (change / incident / problem management) and business applications, to ensure they are designed appropriately and that all parties are adhering and complying with them. Review of Public Services Network (PSN) compliance and Cyber Essentials requirements. |
| ICT Business Systems / Operational Computer Systems | 30 | Governance and processes are in place to review and redesign computer based systems/business applications outwith the CGI Contract to ensure they are fit for purpose to support service delivery. |
| | 70 | |

| AUDIT | 2019/20 (Days) | COMMENTARY |
|---|-------------------|--|
| Internal Controls | | |
| Schools | 30 | Review of internal financial controls and business administrative procedures in place to ensure the efficient and effective use of resources in the school establishments (sample of 3 High Schools and 3 Primary Schools), to complement the assurance received from Education Scotland arising from their inspection programme of schools, including evaluation of the systems in place to set and monitor budgets devolved to head teachers to ensure adherence to DSM standards and practices. |
| Looked After Children at Home | 15 | Adequate controls are in place to ensure sound budgetary control and the demand on service delivery for Looked After Children at Home. |
| Developer Contributions/Development Management Fees | 25 | Adequate controls are in place over income and expenditure and use of resources regarding Developer Contributions and Development Management Fees. Commitment from other departments to ensure policies and procedures are operating effectively, including conditions within legal agreements and payback of contributions. |
| Building Standards Emergency Works | 20 | The Council has adequate controls in place for emergency works income and expenditure including credit control responsibilities and transparency of reporting to Elected Members. |
| Assessors | 15 | There are adequate controls to ensure that responsibilities are discharged appropriately to provide and maintain the valuation roll and to ensure timely and correct value assessment of properties to meet required standards and practices. |
| Adult Social Care Services - Learning Disability Service | 15 | Review of the governance and accountability arrangements in place for Adults with Learning Disabilities to ensure obligations are met to deliver learning disability services and closer integration via partnership working. |
| SB Contracts | 30 | Adequate financial and operational controls are in place over externally sourced income and operations to ensure sustainability. Evaluate fraud prevention controls and detection processes in liaison with the Corporate Fraud & Compliance Officer on an on-going basis to ensure fraud risk is considered. |
| Homelessness | 15 | Review of controls in place to ensure the achievement of statutory obligations for the Homelessness service, including a focus on prevention and support. |
| | 165 | |

| AUDIT | 2019/20 (Days) | COMMENTARY |
|----------------------------------|-------------------|---|
| Asset Management | | |
| Property Asset Management | 15 | The Council has a structured Property Management Framework and an associated property maintenance programme for its buildings, other property and facilities to ensure they are fit for purpose, and has accurate records to demonstrate efficient and effective use. |
| Paths Asset Management | 10 | Risks are identified and effectively mitigated relating to Asset Management issues on managed paths. |
| Roads Asset Management | 20 | The Council has a structured framework for Roads Asset Management (roads, bridges, footways, lighting), including an inspection programme, to demonstrate efficient and effective use of resources. |
| | 45 | |

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|---|-------------------|---|
| Legislative & Other Compliance | | |
| Jedburgh Conservation Area Regeneration Scheme (CARS) | 10 | Review as part of programme compliance and evaluation requirements of the external funders including audit requirements. |
| EU Funded Programmes (LEADER and European Maritime Fisheries Fund) | 20 | Annual audits of EU grant-funded programmes under the terms of Service Level Agreements (SLAs) to assess compliance with the requirements of the SLAs and the relevant EC Regulations. |
| | 30 | |
| Consultancy | | |
| Advice | 20 | Provision of ad-hoc Internal Audit advice and assistance on internal controls, risk management and governance in response to requests. |
| Corporate Transformation Project Boards / Teams and Other Forums | 50 | Provision of Internal Audit consultancy activities to support Management in delivering innovation and transformational change and continue to add value to the Council by influencing and offering ways to enhance the governance and internal control environment. In its 'critical friend' role provide: internal challenge and quality assurance on a sample of programmes and projects involving major change and systems implementation (eg, Digital Customer Programme, Contract Management, Corporate Landlord); provide independent challenge of the evidence to support improvement (eg, Early Years National Policy, Joint Older People Services, Public Protection and Criminal Justice); and perform an independent and objective assessment of the evidence to support self-evaluation and improvement in support of Best Value. |
| | 70 | |
| Other | | |
| Contingency | 15 | Carry out investigations and other reactive work to ensure high risk issues and concerns identified by Management during the year are appropriately addressed. |
| Follow-Up | 20 | Carry out Follow-Up activity to monitor progress with implementation of Audit recommendations and ensure that Management Actions have been timeously and effectively implemented, to check that these have had the desired effect to manage identified risks, and to demonstrate continuous improvement in internal control and governance. |
| Counter Fraud | 40 | Provide intelligence via data sharing requests from Police Scotland, and submission of data sets and case management of data matches arising from the Audit Scotland-led National Fraud Initiative (NFI) exercise in liaison with the Corporate Fraud & Compliance Officer as part of the wider assurance framework on counter fraud and crime controls. |
| | 75 | |
| | 690 | |
| Non Scottish Borders Council | | |
| SB Cares | 35 | To be determined and agreed with SB Cares Board and Management for review of the adequacy of the arrangements for risk management, governance and control of SB Cares. |
| Scottish Borders Pension Fund | 5 | To be determined and agreed with Pension Fund Committee and Management for review of governance of pension fund and provision of annual governance statement. |
| Scottish Borders Health and Social Care Integration Joint Board | 45 | To be determined and agreed by the Scottish Borders Health and Social Care Integration Joint Board for review of the adequacy of the arrangements for risk management, governance and control of the delegated resources. |
| | 85 | |
| Total Audit Days | 775 | |