

REPORT TO: TAYSIDE VALUATION JOINT BOARD – 29 AUGUST 2022

REPORT ON: INTERNAL AUDIT

REPORT BY: ASSESSOR

REPORT NO: TVJB 14-2022

1 PURPOSE OF REPORT

- 1.1 To present to the Joint Board the Internal Audit - Audit Needs Assessment and Strategic Plan (No. 2023/01) and the Internal Audit - Annual Plan for 2022/23 (No. 2023/02) which are attached as Appendices to this report.

2 RECOMMENDATIONS

- 2.1 The Joint Board is asked to approve the Internal Audit - Audit Needs Assessment and Strategic Plan and the Internal Audit - Annual Plan for 2022/23.

3 FINANCIAL IMPLICATIONS

- 3.1 The cost of Internal Audit Services is provided for in the Assessor's Revenue Budget.

4 POLICY IMPLICATIONS

- 4.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

5 BACKGROUND

- 5.1 Henderson Loggie, Chartered Accountants, have been appointed to provide an Internal Audit Service in respect of the three year period from 1 April 2022 to 31 March 2025. Following discussion with the Assessor and other Board Officers, Henderson Loggie have prepared an Audit Needs Assessment to identify risks and assess the audit coverage required to give the Joint Board and the Assessor assurances that the control environment is effective in reducing risks to an acceptable level. The Audit Needs Assessment reflects and builds upon previous internal audit reports. On the basis of the Assessment, a Strategic Plan covering the three yearly cycle has been prepared. The Audit Needs Assessment and Strategic Plan (No. 2023/01) are attached to this report as Appendix 1.

- 5.2 The Internal Audit Annual Plan 2022/23 (No. 2023/02) is attached as Appendix 2 to this report. It sets out the scope and objectives for assignments which will be carried out by Internal Audit during the year 2022/23. At the conclusion of each assignment a detailed report will be made to the Board. The assignments include:

- Health, Safety and Wellbeing
- Procurement
- Data Protection / Freedom of Information
- Follow-Up Reviews

6 CONSULTATIONS

- 6.1 The Clerk and Treasurer to the Board have been consulted on this report.

7 BACKGROUND PAPERS

7.1 None.

ROY CHRISTIE
Assessor

August 2022

Tayside Valuation Joint Board

Audit Needs Assessment and Strategic Plan 2022 to 2025

Internal Audit report No: 2023/01

Draft issued: 10 August 2022
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Overview

Introduction

We have been appointed as Internal Auditors of the Tayside Valuation Joint Board ('the Board') for the period from 1 April 2022 to 31 March 2025.

Internal audit primarily provides an independent and objective opinion to the Joint Board and to the Assessor on risk management, control and governance, by measuring and evaluating their effectiveness in achieving the Board's agreed objectives. In addition, internal audit's findings and recommendations are beneficial to line management in the audited areas. Risk management, control and governance comprise the policies, procedures and operations established to ensure the achievement of objectives, the appropriate assessment of risk, the reliability of internal and external reporting and accountability processes, compliance with applicable laws and regulations, and compliance with the behavioural and ethical standards set for the Board.

Internal audit also provides an independent and objective consultancy service specifically to help line management improve the Board's risk management, control and governance.

Risk Consideration

There are a number of regulatory, operational and financial risks faced by any organisation. There are also risks that are specific to individual organisations, and which vary over time. All of these risks need to be managed effectively since they cannot be eliminated entirely.

The purpose of this ANA is to identify these risks and assess the audit coverage required to give the Joint Board and Assessor assurances that the control environment is effective in reducing the risks to an acceptable level.

Where the Board's risks can be impacted by internal control and subjected to internal audit these have been identified in the ANA and prioritised in the Strategic Plan with reference to the combined risk factors identified in the ANA (pages 3 to 9) and the resources allocated by the Board to internal audit. Prioritisation affects the frequency of visits, the number of days allocated, and the position in the audit cycle.

The Board's strategic and operational risks do not exist in isolation but are inter-dependent. We will therefore ensure that audit projects are linked, where appropriate to do so, and results from relevant previous projects will be taken into consideration at the detailed planning stage for each assignment.



Audit Needs Assessment

Our ANA involved the following activities:

- Reviewing the Board's risk register
- Reviewing the Board's strategic and operational plans
- Reviewing previous internal audit reports
- Reviewing external audit reports and plans
- Reviewing the Board's website and internal policies and procedures
- Utilising our experience at similar organisations and our understanding of the Board
- Discussions with the Assessor and other Board Officers

Information arising from our discussions with the Assessor, together with our analysis of various documents examined, identified the following issues as being the main strategic, operational, financial and regulatory issues facing the Board at this time:

- Managing any future cuts in revenue and capital funding;
- Monitoring of performance against Key Performance Indicators for the Valuation Roll, Valuation List and Electoral Register;
- Review of procedures and practices within the organisation to ensure that service delivery proceeds in the most effective manner;
- Maintenance of relationships with the three Unitary Authorities, Scottish Assessors' Association, and the Valuation Office Agency, and communication with the general body of Council Tax payers, ratepayers and electors, their agents and representatives, local councillors, MPs and MSPs;
- Maintenance of the security and integrity of the Board's systems and information;
- Preparation for the revaluation of non-domestic properties which will take effect in April 2023 and the associated additional duties comprising increased service delivery and three- yearly revaluations introduced following the Barclay Report, as outlined in the Non-Domestic Rates (Scotland) Bill introduced in March 2019; and
- Inability to recruit/retain staff, with specific reference to the additional duties outlined in the Non-Domestic Rates (Scotland) Bill.

The ANA and Strategic Plan are revised on an on-going basis (at least annually) to take account of any changes in the Board's risk profile. Any changes to the internal audit plan are approved by the Joint Board.

Value for Money

This ANA does not specifically address Value for Money projects. However, VFM is an integral part of all audits and therefore it has been mentioned at points within this ANA. VFM is always considered during any audit work that we are undertaking.

Business Improvement

We will draw on the experience within our team to provide input on the use of a wide range of business improvement tools, including the use of lean systems and methodologies, where this is appropriate



Audit Needs Assessment

Audit Needs Assessment

The Audit Needs Assessment (ANA) has been developed following discussion with the Assessor and with reference to the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom. Work in the previous three-year cycle has been used to update the key control environment. The ANA has been prepared on the basis of the normal three-year internal audit cycle, covering the period 2022/23 to 2024/25.

The ANA is based on the Board's Risk Register, supplemented by our own knowledge and assessment of the risks faced by the Board. Risks have been split into nine categories: reputation; council tax; non-domestic rates; electoral register; staffing issues; estates and facilities; financial issues; organisational issues; and information and IT.

The assessment covers the main areas where the Board is exposed to risk that can sensibly be managed through internal control, and which should therefore be considered for examination by internal audit. The assessment has taken no account of the resources available to carry out the work, although **items included in the Strategic plan on pages 10 to 13 are noted in bold in the ANA.**

Following identification of the key controls and associated risks we have assessed the different areas of risk using the following criteria:

- **Risk Impact**
- **Risk Likelihood**
- **Present Controls**

The resource recommended, and the work required to test whether the controls are in place and operating effectively, has been assessed using the combination of results of these three criteria and current assurance mechanisms. Audit coverage in recent years has also been taken into consideration, together with current systems developments



Risk Category	Risk Register Reference	Risk Impact	Risk Likelihood	Present Controls	Assurance	Priority
Reputation						
<input type="checkbox"/> Damage to Reputation	Section 6	High	Medium	Good	Integrity Plan in place which is regularly reviewed by the management team.	Medium
<input type="checkbox"/> Management of Health and Safety	4.5, 4.6	Medium	Low	Good	H&S Policies/Guidelines are in place covering Health & Safety and Safe Working Arrangements. H&S issues reported to the H&S Working Group. H&S Annual Report presented to the Joint Board.	Medium
<input type="checkbox"/> Failure to Adhere to Changes in Legislation	4.5, 4.6, 5.1	Medium	Medium	Good	Review timetable for policies and procedures to be updated. Assessor is a member of the Scottish Assessors Association which provides information re relevant legislations, regulation and good practice.	Low
<input type="checkbox"/> Performance Reporting	6.1	Medium	Low	Good	Regular Joint Board meetings held with minutes and papers available to public.	Medium
Council Tax						
<input type="checkbox"/> Maintenance of the Accuracy of Records Relating to Property Bandings	5.2	Medium	Low	Good	Council planning department warrant registers regularly reviewed and details of house sales received from Registers of Scotland. All entries reviewed by Senior Valuer. All banding changes are detailed on a weekly Council Tax Interface Report and these are checked by an Assistant Assessor or Principal Valuer. Proposals and appeals recorded in system and reports monitored to track compliance with response timescales. Changes to Valuation List independently verified by senior staff.	Medium
<input type="checkbox"/> Valuation and Updating Procedures	5.2	Medium	Low	Good		Medium
<input type="checkbox"/> Administering Proposals	5.2	Medium	Low	Good		Medium
<input type="checkbox"/> Control of Input to the Valuation List	5.2	Medium	Medium	Good		Medium



Risk Category	Risk Register Reference	Risk Impact	Risk Likelihood	Present Controls	Assurance	Priority
Non-Domestic Rates						
<input type="checkbox"/> Maintenance of the Accuracy of Records Relating to Current Property Values	5.2	Medium	Low	Good	Lists of properties sold are received monthly from the Registers of Scotland which is used to confirm that the Board's records are up to date in respect of proprietors and ownership of properties. Changes in ownership advised by the Unitary Authorities' NDR departments. All property valuations are conducted by qualified valuers. All Appeals checked by a Senior Valuer. Only authorised staff can input changes to the Valuation Roll.	Medium
<input type="checkbox"/> Valuation and Updating Procedures	5.2	Medium	Low	Good		Medium
<input type="checkbox"/> Administering Appeals	5.2	Medium	Low	Good		Medium
<input type="checkbox"/> Control of Input to the Valuation Roll	5.2	Medium	Medium	Good		Medium
Electoral Register						
<input type="checkbox"/> Maintenance of Accuracy of the Electoral Register	Section 6	Medium	Medium	Good	Annual canvas of households conducted. Council Tax records used by clerical staff at the Angus and Perth office used to update the computerised Electoral system (EROS) on a weekly basis. Details taken from the Annual voter registration forms are input into EROS and independently checked.	Medium



Risk Category	Risk Register Reference	Risk Impact	Risk Likelihood	Present Controls	Assurance	Priority
Staffing Issues						
<input type="checkbox"/> Equalities Legislation	4.5	Medium	Low	Good	Regular review of policies and procedures. Mainstreaming equality report in place in accordance with the Equalities Act 2010. Performance and Grievance Procedure. Regular review of terms and conditions of employment and remuneration is conducted at a national level. Service Level Agreement with Dundee City Council to provide payroll administration. Recruitment strategies and career structure/progression opportunities for staff. Staff Development Review scheme in place.	Low
<input type="checkbox"/> Industrial Relations	4.1	Low	Low	Good		Low
<input type="checkbox"/> Controls Over Payroll	5.2	Medium	Low	Good		Medium
<input type="checkbox"/> Failure to Attract and Retain Quality Staff	4.4, 6.7, 7.1	High	Medium	Good		High
<input type="checkbox"/> Staff training and Development	6.7	Medium	Medium	Good		Medium
Estates and Facilities						
<input type="checkbox"/> Physical Security		Medium	Low	Good	Physical security subject to annual PSN compliance check. Detailed Business Continuity and Disaster Recovery Plans in place and tested. Maintenance of inventory of assets and regular physical inspection. Authorisation procedures for asset purchases and disposals. Regular review of legislation requirements, and Health and Safety Working Group and Safety Officers appointed.	Low
<input type="checkbox"/> Disruption to Operations Following Loss or Breakdown of Key Equipment	1.1, 1.2	Medium	Medium	Good		Medium
<input type="checkbox"/> Asset Management	1.2, 2.5	Medium	Low	Good		Low
<input type="checkbox"/> Breach of Statutory Duty	4.6	Medium	Low	Good		Low



Risk Category	Risk Register Reference	Risk Impact	Risk Likelihood	Present Controls	Assurance	Priority
Financial Issues						
<input type="checkbox"/> Failure to Receive Required Funding	2.1	High	Low	Good	Structured budgetary process in place with input provided by Board Treasurer and constituent Authorities Finances Directors. External audit review.	Medium
<input type="checkbox"/> Agreed Expenditure Targets Not Met	2.2, 2.3	Low	Low	Good		Budget monitoring procedures in place with quarterly reports provided to the Treasurer and Joint Board. The Board maintains an adequate level of reserves to ensure that any risk is minimised. Purchasing / procurement procedures in place.
<input type="checkbox"/> Prevention and Response to Internal Fraud, Impropriety or Misconduct on the Part of Staff	2.4	Low	Low	Good	Validation and authorisation procedures and fraud guidelines in place.	Low
<input type="checkbox"/> Main Financial Systems		Medium	Low	Good	General Ledger System with Management Information Reporting Tools provided by DCC as part of Financial Services SLA.	Low
<ul style="list-style-type: none"> • General Ledger • Procurement and Creditors / Purchasing 	2.3	Medium	Medium	Good	Procurement policy and procedures in place. Processing of the online Creditor Ledger System provided by DCC as part of SLA. Payments processed by DCC, with review of cheque and BACS runs by the Administration Manager.	Medium
<ul style="list-style-type: none"> • Debtors / Income 		Low	Low	Good	Financial Regulations specify procedures for raising invoices and income handling.	Low
<ul style="list-style-type: none"> • Cash and Bank / Treasury Management 		Low	Low	Good	Banking / Treasury Management services provided by DCC as part of Financial Services SLA.	Low



Risk Category	Risk Register Reference	Risk Impact	Risk Likelihood	Present Controls	Assurance	Priority
Organisational Issues						
<input type="checkbox"/> Widespread or Epidemic / Pandemic Illness	4.2, 8.1, 8.2	Medium	Low	Good	Business Continuity Plan and Business	Low
<input type="checkbox"/> Major Disaster, e.g., fire, flood, explosion	1.2, 8.1	High	Low	Good	Continuity Disaster Recovery Plan in place and tested.	Low
<input type="checkbox"/> Corporate Governance and Overall Control Environment	-	Medium	Medium	Good	Code of Corporate Governance in place. Member training provided through constituent Councils.	Medium
<input type="checkbox"/> Effective Corporate Planning	-	Medium	Low	Good	Regular review of strategic planning process by management and Joint Board.	Low
<input type="checkbox"/> Risk Management	-	Medium	Medium	Good	Risk Management Strategy and Risk Register in place and reported to the Joint Board annually.	Medium
<input type="checkbox"/> Insurance Arrangements	2.5	Medium	Low	Good	Service Level Agreement with DCC Insurance and Risk Management Section provides necessary advice.	Low



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Risk Category	Risk Register Reference	Risk Impact	Risk Likelihood	Present Controls	Assurance	Priority
Information and IT						
<input type="checkbox"/> Failure of third-party system providers	3.1	High	Low	Good	Contractual arrangements and system maintenance agreements are in place.	Medium
<input type="checkbox"/> Breach of security surrounding connections to third party systems	3.3	Medium	High	Good	Data encryption, challenge response and username and password access controls in place to PSN equivalent standard.	Medium
<input type="checkbox"/> Loss of Data or IT Hardware	3.2, 3.7, 3.9	Medium	Medium	Good	Third Party Network company provides network monitoring service.	Medium
<input type="checkbox"/> Breach of IT Network Security	3.2, 3.3	Medium	High	Good	Firewall and Anti-Virus software in place. Annual independent PSN accreditation check in place.	Medium
<input type="checkbox"/> Non-Compliance with Data Protection / Freedom of Information Legislation	5.1	Medium	Low	Good	Publication schemes in place for TVJB and Assessor. Data Protection Officer and Records Manager appointed. FOI and Data Protection policies in place (incorporating Data Protection Principles).	Medium
<input type="checkbox"/> Inappropriate use of Internet / E-mail by staff	3.8	Medium	Medium	Good	Guidelines on e-mail and Internet use are in place. All internet and e-mail traffic are recorded and may be monitored.	Low
<input type="checkbox"/> IT Strategy / Systems Implementation	-	Medium	Low	Good	IT Strategy in place which is reviewed annually by IT Working Group.	Medium



Strategic Plan

Strategic Plan

The Strategic Plan covers the normal three-year internal audit cycle. Audit days have been allocated to the categories identified in the ANA to give a rolling programme of work. Where relevant, these have been further split into sub-categories. Frequency of visits, the number of days allocated, and the position in the cycle has been determined with reference to the combined risk factors identified in the ANA, previous internal audit findings and current systems developments. Not all medium priority items can be covered in the cycle. Reference to other assurance methods has influenced which of these have not been included. Some low priority items have been included in the programme as planned changes to legislation, or the Board's procedures mean the current risk assessment needs to be confirmed.

There is an expectation by external auditors that some element of review is included in the internal audit programme each year in relation to core financial systems and budgetary processes and controls. This has been taken into consideration in formulating the Strategic Plan.

Audit Methodology

Prior to commencement of the work each year the Strategic Plan will be reviewed in advance of the production of the Annual Plan. The Annual Plan will provide more detail on the risks to be covered and the work to be carried out in each area. The process will include discussion with officers, the Board's external auditors and the Joint Board as appropriate.

Once the Annual Plan has been agreed an audit timetable will be set and detailed planning will be carried out for each area. In all cases the audit work involves:

- Identification of the expected controls.
- Review of systems to identify actual controls.
- Consideration of established Best Practice in the area.
- Testing of controls to ensure they are operating effectively.
- Consideration of VFM issues where appropriate on all audit assignments and conducting specific VFM reviews as agreed with the Board's officers and the Joint Board.
- Consideration of the relevance of business improvement tools, including lean systems and methodologies, to individual audit assignments.
- Discussion of findings and our likely recommendations with the relevant managers and staff involved with the systems. Recommendations will be graded to help management prioritise their importance.
- Issue of a draft report to confirm factual accuracy and obtain official management responses for inclusion in the final report.
- Issue of a final report that summarises audit objectives; work carried out; the implications of the findings for internal control; and an action plan with areas for improvement, allocated responsibility for the implementation and a timeframe for completion.
- Follow-up of action plans in future years.

Tayside Valuation Joint Board Strategic Plan 2022/23 to 2024/25

Proposed Allocation of Audit Days

Audit Area	Risk Register Ref.	Previous IA Coverage	2022/23 Days	2023/24 Days	2024/25 Days	Objective
Reputation						
Health, Safety & Wellbeing	1.1, 4.6, 5.1, 7.4	2015/16 - Good	4			To review the arrangements in place within the Board to identify and manage Health, Safety and Wellbeing (H, S & W) issues.
Council Tax						
Maintenance of the Accuracy of Records Relating to Property Bandings / Valuation and Updating Procedures / Administering Proposals / Control of Input to the Valuation List	5.2	2021/22 - Good			4	To review the adequacy and effectiveness of the controls and procedures in place to ensure the accuracy of records relating to all domestic properties within the Board's area and that all property bandings are appropriate and only approved changes, new entries, deletions and amendments, proposals and appeals are made to the Valuation List.
Non-Domestic Rates						
Maintenance of the Accuracy of Records Relating to Current Property Values / Valuation and Updating Procedures / Administering Appeals / Control of Input to the Valuation Roll	5.2	2020/21 - Good		5		To review adequacy and effectiveness of the controls and procedures in place to ensure that the records relating to current property values are up to date and accurate, valuations and appeals are dealt with appropriately and timeously, and appropriate controls are in place over entries and amendments made to the Valuation Roll. This will also include a review of changes made to the Board's revaluation appeals processes.



Audit Area	Risk Register Ref.	Previous IA Coverage	2022/23 Days	2023/24 Days	2024/25 Days	Objective
Electoral Register						
Maintenance of Accuracy of the Electoral Register	Section 6	2021/22 - Good			4	To review the adequacy and effectiveness of the controls and procedures in place to ensure that the Register of Electors published annually for the Angus and Perth & Kinross council areas are up-to-date and accurate.
Staffing Issues						
Payroll				4		To undertake a high-level review of all key aspects of Payroll, including an examination of payments, authorisations and changes to payroll data and auto-enrolment. The audit will cover activities undertaken by the Board but not the Dundee City Council systems.
Financial Issues						
Procurement		2017/18 - Satisfactory	4			To ensure that the Procurement Strategy and procedures in place support best value purchasing across the organisation in relation to non-pay spend.
Organisational Issues						
Corporate Governance		2020/21 - Good		3		Cyclical check to undertake a high-level review of the corporate governance arrangements in place within the Board to ensure that the governance framework represents best practice as set out in the CIPFA code of practice. We will also review the Scheme of Delegation and Standing Orders.



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Audit Area	Risk Register Ref.	Previous IA Coverage	2022/23 Days	2023/24 Days	2024/25 Days	Objective
Information and IT						
IT Systems Development		2010/11			4	To review the ICT project management controls in place within the Board in relation to upgrades and implementation of new systems and services.
Data Protection / Freedom of Information		2015/16 - Good	3			To obtain reasonable assurance that appropriate action has been taken by the Board to comply with data protection and freedom of information legislation.
Other Audit Activities						
Management & planning, attendance at Joint Board meetings & liaising with external audit			2	2	2	
Follow-up			1	1	1	Follow up of outstanding internal audit recommendations.
ANA			1	-	-	
Total			15	15	15	



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Tayside Valuation Joint Board

Internal Audit Annual Plan 2022/23

Internal Audit Report No: 2023/02

Draft issued: 11 August 2022

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Introduction

- 1.1 The purpose of this document is to present to the members of Tayside Valuation Joint Board ('the Board') the annual internal audit operating plan for the year ended 31 March 2023. The plan is based on the proposed allocation of audit days for 2022/23 set out in the Audit Needs Assessment and Strategic Plan 2022 to 2025. The preparation of the Strategic Plan involved dialogue with management and with the Treasurer (via the Assessor).
- 1.2 At Section 3 of this report we have set out the outline scope and objectives for each audit assignment to be undertaken during 2022/23, together with the proposed audit approach. These were arrived at following discussion with the Assessor.
- 1.3 Separate reports will be issued for each assignment with recommendations graded to reflect the significance of the issues raised. In addition, audit findings will be assessed and graded on an overall basis to denote the level of priority that should be given to each report.
- 1.4 Our audit service complies with the Public Sector Internal Audit Standards (PSIAS).



Strategic Plan 2022 to 2025

	Category	Priority	Actual 2022/23 Days	Actual 2023/24 Days	Planned 2024/25 Days
Reputation					
<i>Health, Safety & Wellbeing</i>	Gov	M	4		
Council Tax					
<i>Maintenance of the Accuracy of Records Relating to Property Bandings / Valuation and Updating Procedures / Administering Proposals / Control of Input to the Valuation List</i>	Perf	M			4
Non-Domestic Rates					
<i>Maintenance of the Accuracy of Records Relating to Current Property Values / Valuation and Updating Procedures / Administering Appeals / Control of Input to the Valuation Roll</i>	Perf	M		5	
Electoral Register					
<i>Maintenance of Accuracy of the Electoral Register</i>	Perf	M			4
Staffing Issues					
<i>Payroll</i>	Perf	M		4	
Financial Issues					
<i>Procurement and Creditors/Purchasing</i>	Fin	M	4		
Organisational Issues					
<i>Corporate governance</i>	Gov	M		3	
Information and IT					
<i>IT Systems Development</i>	Perf	M			4
<i>Data Protection / Freedom of Information</i>	Perf	M	3		
Other Audit Activities					
<i>Management and Planning)</i>			2	2	2
<i>External audit)</i>					
<i>Attendance at audit committees)</i>					
<i>Follow-up reviews</i>		Various	1	1	1
<i>Audit Needs Assessment</i>			1		
Total			15	15	15
			=====	=====	=====

Key

Category: Gov – Governance; Perf – Performance; Fin – Financial

Priority: H – High; M – Medium; L – Low



Outline Scope and Objectives

Audit Assignment:	Health, Safety & Wellbeing
Priority:	Medium
Joint Board Meeting:	TBC
Days:	4

Scope

This audit will review the arrangements in place within the Board to identify and manage Health, Safety and Wellbeing (H, S & W) issues.

Objectives

The main objective of the audit will be to review the Board’s overall arrangements for managing H, S & W and to consider whether these are adequate.

We will seek to obtain reasonable assurance that the Board has:

- a H, S & W policy, plan, and documented procedures which are communicated to all staff and relevant contractors;
- a formal risk identification and assessment process;
- a H, S & W training programme which includes induction training, refresher training and training for new activities or legislation;
- regular monitoring of H&S systems to ensure that they are functioning effectively, including H, S & W audits, carried out either internally or by external agencies such as the Health and Safety Executive;
- an incident and accident recording system with follow-up and implementation of new controls where required; and
- regular reporting of H&S to senior management and to the Board.

Our audit approach will be:

From discussion with the Assessor, the Administration Manager and other relevant staff, and review of procedural documentation, we will identify the internal controls in place and compare these with expected controls. A walkthrough of key systems will then be undertaken to confirm our understanding, and this will be followed up with compliance testing where considered necessary to ensure that internal controls are operating effectively. We will report on any areas where expected controls are found to be absent or where controls could be further strengthened.



Audit Assignment:	Procurement and Creditors/Purchasing
Priority:	Medium
Joint Board Meeting:	TBC
Days:	4

Scope

This audit will focus on the systems of internal control in place for the ordering of goods and services and the payment of invoices.

We will also consider whether the procurement strategy followed and procedures in place support best value purchasing in relation to non-pay spend (other operating expenses plus equipment and fixed asset additions).

Objectives

The specific objectives of the audit will be to ensure that:

- the Board’s Procurement Policy, Strategy and procurement guidance are comprehensive, kept up-to-date and are in line with the Procurement Reform (Scotland) Act 2014 (‘the Act’) and The Procurement (Scotland) Regulations 2016 (‘the Regulations’).
- procurement procedures ensure that:
 - areas of high spend are monitored appropriately.
 - opportunities for pooling of expenditure are identified in order to achieve best value; and
 - collaborative procurements and frameworks available to the Board are utilised where appropriate.
- purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers, with the risk of unauthorised and excessive expenditure being minimised; and
- the Board’s procurement guidance on quotes and tenders and selection of contractors, together with the Act and Regulations, are being complied with.

Our audit approach will be:

From discussions with the Assessor and Administration Manager, and other relevant staff, we will establish what procurement strategies, procedures and monitoring arrangements are in place. These will then be evaluated to establish if they follow recognised good practice.

Specifically, we will seek to establish whether the procurement procedures ensure that areas of high spend are monitored appropriately, identifying opportunities for pooling of expenditure in order to achieve best value, and ensuring that joint purchasing arrangements are utilised where appropriate.

A sample of items of expenditure will be selected from the financial ledger and tested to ensure compliance with the Board’s Financial Regulations and Procedures.



Audit Assignment:	Data Protection / Freedom of Information
Priority:	Medium
Joint Board Meeting:	TBC
Days:	3

Scope

The audit will focus on the arrangements in place within the Board to ensure compliance with key requirements of the Data Protection Act 2018, the UK General Data Protection Regulation (GDPR) and the Freedom of Information (Scotland) Act 2002.

Objectives

The main objective of this audit will be to ensure that:

- appropriate action has been taken by the Board to comply with the Data Protection Act 2018, including the UK GDPR, and Freedom of Information (Scotland) Act 2002; and
- adequate procedures are in place for the ongoing monitoring of compliance with data protection and freedom of information legislation.

Our audit approach will be:

Through discussion with the Assessor and Administration Manager, and other relevant staff, we will establish the action taken to date by the Board, and any further action planned, to implement the applicable requirements of data protection and freedom of information legislation. The Information Commissioner’s Office guidance will be used as the basis for this discussion, and any additional action required will be highlighted.



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Audit Assignment:	Follow-Up Reviews
Priority:	Various
Joint Board Meeting:	June 2023
Days:	1

Scope

This review will cover the following reports from the 2021/22 internal audit programme and reports from earlier years where previous follow-up identified recommendations outstanding:

- Report 2022/05 – Follow-up Reviews.

Internal Audit Reports 2022/01 – Annual Plan 2021/22, 2022/02 – Council Tax, 2022/03 – Budgetary Control, and 2022/04 – Electoral Registration did not contain any action plans and therefore no follow-up of these reports is required.

Objective

The objective of our follow-up review will be to assess whether recommendations made in internal audit reports from 2021/22 (and outstanding actions from previous years) have been appropriately implemented and to ensure that where little or no progress has been made towards implementation, that plans are in place to progress them.

Audit Approach

- to request from responsible officers for each report listed above an update on the status of implementation of the recommendations made;
- to ascertain by review of supporting documentation, for any significant recommendations within the reports listed above, whether action undertaken has been adequate; and
- prepare a summary of the current status of the recommendations for the Joint Board.



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