
Internal Audit Plan 2019-2022 – Summary Report

Committee considering report:	Governance and Ethics Committee on 15 April 2019 Operations Board on 14 March 2019
Portfolio Member:	Councillor Dominic Boeck
Date Portfolio Member agreed report:	14 March 2019
Report Author:	Julie Gillhespey (Audit Manager)
Forward Plan Ref:	GE3426

1. Purpose of the Report

- 1.1 This report sets out the proposed Internal Audit work for the three year period covering 2019/2020 to 2021/2022.

2. Recommendation

- 2.1 That the Governance and Ethics Committee discuss and approve the Proposed Audit Plan, the Internal Audit Charter and the Internal Audit Reporting Protocol.

3. Implications

- 3.1 **Financial:** None
- 3.2 **Policy:** None
- 3.3 **Personnel:** None
- 3.4 **Legal:** None
- 3.5 **Risk Management:** Internal Audit work helps to improve risk management processes by identifying weaknesses in systems and controls and making recommendations to provide mitigation and improve service delivery processes.
- 3.6 **Property:** None
- 3.7 **Other:** None

4. Other options considered

- 4.1 None, the Public Sector Internal Audit Standards (PSIAS) require the Council's Audit Plan and Internal Audit Charter to be approved by the Governance and Ethics Committee.

Executive Summary

5. Introduction / Background

- 5.1 The purpose of this report is to set out a risk based plan of work for Internal Audit (IA) that will provide assurance to the Governance and Ethics Committee on the operation of the Council's internal control framework and support the Committee's review of the Annual Governance Statement.
- 5.2 The objectives for IA are set out in West Berkshire Council's Internal Audit Charter. This document is reviewed and refreshed each year where appropriate. This year the amendments are a result of the recommendations made in the external assessment report. The revised Charter is attached at Appendix D.
- 5.3 The work programme for IA for the period 2019-2022 is attached at Appendix E. The plan analyses the different areas of Council activity that IA have assessed as needing to be audited.
- 5.4 The work of IA forms the basis of the opinion given by the Audit Manager on the Council's internal control framework. The work of IA is regulated by the PSIAS, these set out the standards and methods that should be applied in carrying out audit work. At an operational level there is an Audit Manual which sets out in detail how work is to be undertaken, recorded and managed. In addition, an Audit Reporting Protocol sets out the communication process for each audit.
- 5.5 There have been a few changes made to the Reporting Protocol, one to remove the requirement for consultation with the portfolio holder, this stage never resulted in any changes to the draft report and extends the consultation period. The second change is the removal of the requirement to include Head of Service comments/progress update in the Audit Plan update reports. It was felt that including comments at this stage was not adding anything to the update report. The amended IA Reporting Protocol is at Appendix F.
- 5.6 The Audit Team consists of four posts; the Audit Manager and three senior auditors. One of the posts was at an auditor level, when it became vacant in January a request was made to have the post re-designated as a senior auditor. This has recently been approved and the post is now being recruited to.
- 5.7 The risk categorisation is used to determine a reasonable baseline for the frequency of coverage. The reduction of the team over the last few years to four members of staff has resulted in a longer timeframe between audit reviews. The current approximate frequencies used are:-

Risk Level	Frequency (years)
High	5
Medium	7
Low	10
Schools	6

5.8 This frequency has been used to put together the proposed three year Audit Plan. The last page of Appendix E shows the total number of planned days compared with the total number of audit days available (calculated using the number of auditors), although the planned days for next year can be met, this is not the case for the following two years, where there is a shortfall in resource available compared with the planned work. If there is no change in the number of auditors this will therefore result in the frequencies needing to be revisited and extended.

6. Proposal

6.1 That the Governance and Ethics Committee approve the planned work programme for IA, together with the content of the revised Internal Audit Charter and Reporting Protocol.

7. Conclusion

7.1 This report sets out the proposed work for IA over the next three years. In order for an informed decision to be made regarding the work programme, this report sets out the role of IA together with supporting information as to how the plan is compiled.

8. Appendices

8.1 Appendix A - Data Protection Impact Assessment

8.2 Appendix B - Equalities Impact Assessment

8.3 Appendix C - Supporting Information

8.4 Appendix D - Internal Audit Charter

8.5 Appendix E - Draft Audit Plan

8.6 Appendix F - Internal Audit Reporting Protocol

Appendix A

Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via dp@westberks.gov.uk

Directorate:	
Service:	
Team:	
Lead Officer:	
Title of Project/System:	
Date of Assessment:	

Do you need to do a Data Protection Impact Assessment (DPIA)?

	Yes	No
<p>Will you be processing SENSITIVE or “special category” personal data?</p> <p>Note – sensitive personal data is described as “<i>data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation</i>”</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Will you be processing data on a large scale?</p> <p>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Will your project or system have a “social media” dimension?</p> <p>Note – will it have an interactive element which allows users to communicate directly with one another?</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Will any decisions be automated?</p> <p>Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Will your project/system involve CCTV or monitoring of an area accessible to the public?</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Will you be using the data you collect to match or cross-reference against another existing set of data?</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Will you be using any novel, or technologically advanced systems or processes?</p> <p>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</p>	<input type="checkbox"/>	<input type="checkbox"/>

If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.

Appendix B

Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:**
 - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
 - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

What is the proposed decision that you are asking the Executive to make:	
Summary of relevant legislation:	
Does the proposed decision conflict with any of the Council’s key strategy priorities?	
Name of assessor:	
Date of assessment:	

Is this a:		Is this:	
Policy	Yes/No	New or proposed	Yes/No
Strategy	Yes/No	Already exists and is being reviewed	Yes/No
Function	Yes/No	Is changing	Yes/No
Service	Yes/No		

1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?	
Aims:	
Objectives:	
Outcomes:	
Benefits:	

2 Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this. (Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
Group Affected	What might be the effect?	Information to support this
Age		
Disability		
Gender Reassignment		
Marriage and Civil		

Partnership		
Pregnancy and Maternity		
Race		
Religion or Belief		
Sex		
Sexual Orientation		
Further Comments relating to the item:		

3 Result	
Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?	Yes/No
Please provide an explanation for your answer:	
Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?	Yes/No
Please provide an explanation for your answer:	

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

4 Identify next steps as appropriate:	
Stage Two required	
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	

Name:

Date:

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) (rachel.craggs@westberks.gov.uk), for publication on the WBC website.