

Internal Audit update

Name of Committee	Audit and Scrutiny
Date	26 th July 2019
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Purpose of Report	To update the Committee on progress on the internal audit programme for the year and the revised Internal Audit Plan
List of Enclosures	Enclosure I Revised Internal Audit Plan
Recommendation(s)	a) That the contents of the report and outstanding management actions are noted

1.1 Introduction or Background

This is year 2 of a three-year internal audit service level agreement with TIAA to provide internal audit services. A draft annual plan and updated 3-year programme was reviewed by the Committee in April and, in response to comments made some revisions were made to the plan for the year.

1.2 Proposals

The revised internal audit plan is enclosed. Under the plan the following audits were scheduled for July 2019; these are in progress.

Quarter	Fundamental Audits	Type	Days	Rationale and Scope
Block 1	Risk Management – Business Continuity Planning	Appraisal	3	<p><u>Rationale</u></p> <p>Key business risk.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for business continuity planning including policy/strategy and procedures, organisational responsibility, plan details for various scenarios and testing. The audit will consider the planning in place in the context of Brexit and the continuity and resilience of the</p>

Quarter	Fundamental Audits	Type	Days	Rationale and Scope
				response by the Authority. The scope of the review does not include providing assurance that the business continuity planning covers all the risks faced, or that the arrangements proposed operate continuously and effectively.
Block 1	ICT Security – Cyber Security	Assurance	3	<p><u>Rationale</u></p> <p>A review of ICT is included in each year of the Strategic Plan.</p> <p><u>Scope</u></p> <p>The high level review will consider the practical and technical security measures that the organisation has deployed to minimise the risk of succumbing to a cyber-incident. It will also consider the extent to which staff awareness has been addressed to minimise the risk of behaviours giving rise to a cyber-incident.</p> <p>The audit will be undertaken by a specialist IT auditor.</p>
Block 1	Human Resources	Assurance	3	<p><u>Rationale</u></p> <p>Operational risk area.</p> <p><u>Scope</u></p> <p>The review will consider whether Human Resources (HR) processes and records are appropriate to the needs of the organisation and identify if any improvements can be made in the way information on staff absence, recruitment, expenses, timesheets, performance and other records are managed and processed. The audit will consider whether appropriate staff and other resources are available for robust HR management.</p>

I.3 Implications

Actions arising from the above audits will be assigned to managers and monitored by CGT. Below is a summary of the remaining actions arising from 2018/19 audits. An audit review of implementation of all management actions arising from 2018/19 will be undertaken in the Autumn.

2018/19 – YEAR I - Block I- 11-15 th June 2018				
Governance – Performance Management				
Outstanding Actions	New process or Task?	Issues or further action identified	When by?	Who by?
All reporting officers must provide a comment against each PI on at least a	Process	Information is missing and is not being chased up by department/service leads.		

quarterly basis – these will be reviewed by Managers.		Action: Review use and management of Ffynnon to ensure best value	31/3/20	CGT/DMT
A summary report including officer commentary and any Manager comment is compiled by the IT Manager for the quarterly report to the A&S Committee	task	Action: Content and format of report to be reviewed in time for Q1 ASC reporting 2019/20	26/7/19	IT manager
General Data Protection Regulations readiness				
Outstanding Actions	New process or Task?	Issues or further action identified	When by?	Who by?
A mechanism for monitoring progress against the Data Protection Act 2018 compliance plan be established.	Process	Action: Review of progress on outstanding actions to be included in future Corporate Governance Team agendas. A progress review is being carried out by the IT Manager.	31/8/19	IT Manager/CGT
2018/19 – YEAR 1 - Block 2 - 8th - 12th October 2018				
Project Management				
Outstanding Actions	New process or Task?	Issues or further action identified	When by?	Who by?
Grants Policy to be drafted, to include process of initiation and review on completion.	Task	Action: Project Closure template document is drafted	30/9/19	Delivery Director
Strategic control				

Outstanding Actions	New process or Task?	Issues or further action identified	When by?	Who by?
Member role description to be reviewed jointly by all three Welsh NPA's.	Task	Action: review the generic role description. This is a requires National Parks Wales consideration and will take some time to process.	31/3/20	CEO Democratic Services Manager
Key Financial Controls				
Outstanding Actions	New process or Task?	Issues or further action identified	When by?	Who by?
Staff advised/reminded that they should notify their line manager and the HR Officer of any conflict of interest arising from their role, such as also acting as a supplier to the Authority and that this will be recorded on their personal file	Task/ process	Code of conduct for staff has been incorporated into HR policies and approved by NPA All staff have been asked to read the updated policies and sign a form to confirm.	31/7/19	All staff
Payroll Procedures and documentation should be reviewed and updated if necessary.	Task	Procedures have not been updated recently and will required some revision. Original deadline revised.	30/09/19	Finance Manager

1.4 Risk

Internal audits address areas assessed as higher risk for the Authority and will recommend actions which will help to manage and reduce risks. Internal audit is one of the tools which is used by Members and management to gain assurance that internal controls are operating effectively.

I.5 Conclusion

Members and senior management should understand the internal controls operated by the Authority and take action where significant risks or weaknesses are identified. Action in this regard will need to be prioritised in the context of the Authority's limited resources in the light of appetite for risk.

RECOMMENDATION:

a) That the contents of the report and outstanding management actions are noted