



Glasgow City Region – City Deal

Cabinet

Report by Head of Audit and Inspection, Glasgow City Council

Contact: William Hart, Chief Auditor

Item 3(c)

10th April 2018

INTERNAL AUDIT PLAN 2018/19

Purpose of Report:

To present to the Cabinet the internal audit plan for 2018/19 for the Glasgow City Region Cabinet.

Recommendations :

Members are asked to agree to the implementation of the Audit Plan for 2018/19.

1. BACKGROUND

- 1.1 Following agreement the Glasgow and Clyde Valley Local Authorities entered into a City Deal with both the UK and Scottish Governments. The eight Local Authority Leaders agreed to establish a Joint Committee constituted under Section 57 of the Local Government (Scotland) Act 1973. The Joint Committee is known as “the Glasgow City Region Cabinet” (“the Cabinet”) and was constituted on the 19 January 2015.
- 1.2 At its meeting in April 2016, the Cabinet agreed the appointment of Glasgow City Council’s Internal Audit department to provide the Internal Audit function. The Head of Audit and Inspection prepares an annual internal audit plan which is subject to consideration and approval by the Cabinet. Internal Audit complies with the Public Sector Internal Audit Standards, with an external quality assessment undertaken in 2016 which confirmed this. The audit plan has been prepared and will be undertaken in accordance with the Standards.
- 1.3 In developing the internal audit plan, we have:
- Consulted relevant senior officers of the City Deal Project Management Office,
 - considered the risks affecting the Cabinet,
 - considered both internal and external factors affecting the City Deal programme, and
 - considered previous audit findings.
- 1.4 The Public Sector Internal Audit Standards require that the audit plan should be kept under review to reflect any changing priorities and emerging risks. We will therefore ensure the plan remains relevant and reflects any changes to the inherent risks which may impact on the Cabinet. The Cabinet will be asked to approve any material adjustments to the audit plan.

2. INTERNAL AUDIT PLAN 2018/19

- 2.1 The areas included in the Internal Audit Plan for 2018/19 are:
- Assurance Provision
 - Risk Mitigation and Review of Risk Management
 - Programme Budget Monitoring and Control Arrangements
 - Follow ups audits and provision of support to officers
 - Additional advisory work as may be required in relation to preparation for the Audit Scotland Review

Further details on each of the above proposed reviews is contained within Appendix 1.

- 2.2 Internal Audit will issue reports on audit findings, highlighting control weaknesses, together with recommendations for improvement. Any significant

area of control weakness will be reported specifically in the Annual Governance Statement.

- 2.3 Audits which examine systems and processes operated by Glasgow City Council but used or relied upon to deliver the City Deal will be reported to the Council's Finance and Audit Scrutiny Committee. Audit findings which may impact on the City Deal will be considered when developing the Cabinet Annual Governance Statement.
- 2.4 Where appropriate, we will place reliance on the work undertaken by the Internal Audit section of each member Local Authority. Any significant issue that could impact on the ability of an Authority to deliver a project under its control will be considered for inclusion in the Annual Governance Statement. Internal Audit will also continue to host a City Deal audit support group. This group will include representatives from each Local Authority Internal Audit section and will facilitate the sharing of audit knowledge, information and best practice.

3. DIRECT AUDIT OUTPUTS IN 2018/19

- 3.1 The main output of Internal Audit in 2018/19 will be the Head of Audit and Inspection's Annual Governance Statement. This will be reported to the Cabinet and will provide assurance to Members of the Cabinet and senior officers on issues of control related to the delivery of the City Deal.
- 3.2 The annual statement will be based principally on the work undertaken by Internal Audit during the year. In 2018/19, 54 days will be available to carry out this work. Internal Audit will continually review the risks and operating environment of the Cabinet during the course of the year and may tailor this planned work accordingly.
- 3.3 The indicative fee for the cost of this audit work during 2018/19 is £18,300.

4. 2017/18 UPDATE

- 4.1 There were three reviews in the 2017/18 audit plan. The current status of each is:
 - Skills and Employability Programme Governance – reported to December 2017 Cabinet
 - PMO Governance and Operations – reported to April 2018 Cabinet

Compliance with Assurance Framework Requirements – will be reported to June 2018 Cabinet.

5. RECOMMENDATION

- 5.1 The Cabinet is asked to agree to the implementation of the Internal Audit Plan for 2018/19.

Appendix 1
Glasgow City Region Cabinet – Audit Plan 2018/19

Assurance Area	Planned Internal Audit Activity
Governance	<p>Assurance Provision To review arrangements in place across the City Region member authorities in order to identify the sources of assurance that the Cabinet can rely on for the governance, risk management and control processes over the City Deal programme.</p>
	<p>Risk Mitigation and Review of Risk Management To gain assurance that the City Deal programme risk register is subject to regular monitoring and review. Also to confirm that mitigating actions which are identified in the risk register to minimise the likelihood and / or impact of risks which may materialise, are in place.</p>
Finance	<p>Programme Budget Monitoring and Control Arrangements To review the processes within the Region PMO for monitoring and reporting on the financial performance of the City Deal programme, to ensure that Cabinet is presented with accurate, reliable and up-to-date information.</p>
Follow up	<p>Audit the progress against Internal Audit recommendations, undertaking additional testing as required. Summary progress updates will be reported to the Cabinet.</p>
Advisory	<p>Preparation for Audit Scotland Review Support provided to the Region PMO in preparation for the 2018/19 Audit Scotland Review of City Deals.</p>