



**Glasgow City Region**

**Cabinet**

**Report by Head of Audit and Inspection, Glasgow City Council**

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**Item 4 (c)**

**6th April 2021**

## **INTERNAL AUDIT PLAN 2021/22**

### **Purpose of Report:**

To present to the Cabinet the internal audit plan for 2021/22 for the Glasgow City Region Cabinet.

### **Recommendation:**

Members are asked to agree to the implementation of the Audit Plan for 2021/22.

## **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 Cabinet has 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 2021/22**

- 2.1 The areas included in the Internal Audit Plan for 2021/22 are:

- Change Control Arrangements and Contract Management
- Anti-Bribery, Corruption and Fraud Arrangements
- Equality Impact Assessments
- Business Continuity and Resilience Arrangements
- Follow ups audits and provision of support to officers

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 2021/22**

- 3.1 The main output of Internal Audit in 2021/22 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 2021/22, 53 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 2021/22 is £20,200.

### **4. 2020/21 UPDATE**

- 4.1 There were three reviews in the 2020/21 audit plan. The current status of each is:
- Review of Governance Compliance – presented to Cabinet in December 2020;
  - Community Benefits – will be presented to Cabinet in April 2021, and
  - Member Authority - Grant Claim Eligibility phase 2 – work is ongoing and a report will be presented to Cabinet in June 2021.

### **5. RECOMMENDATION**

- 5.1 The Cabinet is asked to agree to the implementation of the Internal Audit Plan for 2021/22.

**Appendix 1**  
**Glasgow City Region Cabinet – Audit Plan 2021/22**

<b>Assurance Area</b>	<b>Planned Internal Audit Activity</b>
Governance	<p><b>Change Control and Contract Management Arrangements</b></p> <p>Due to Covid-19 and other factors which may arise during capital programmes, it is anticipated that there will be an increase in member authorities submitting change control requests for projects, and this will require effective contract management measures and negotiations with contractors. Our review will seek assurance that member authorities have adequate contract management and change control arrangements in place, and will seek to confirm that they comply with local tolerances and delegated authority levels. We will also check that prior to submitting these to the Programme Management Office (PMO) for consideration, these requests contain sufficient detail and have been appropriately authorised.</p>
Governance	<p><b>Anti-Bribery, Corruption and Fraud Measures.</b></p> <p>In accordance with the condition of the pass-down grant letters, we will examine the controls which member authorities have in place in relation to anti-bribery, fraud and corruption within their organisations, with particular focus on those functions supporting their City Deal programme.</p>
Governance	<p><b>Equality Impact Assessments</b></p> <p>A review of compliance with the Assurance Framework and Project Management Toolkit requirements for member authorities to undertake Equality Impact Assessments when developing project business cases.</p>
Governance	<p><b>Business Continuity and Resilience</b></p> <p>In light of Covid-19, we will undertake a lessons learned review across member authorities considering their response and capability to adapt to the challenges presented by the pandemic, while ensuring that key roles and functions relating to their City Deal programme operated, and will continue to operate, effectively to deliver projects.</p>
Follow up	<p>Audit of the progress against Internal Audit recommendations, undertaking additional testing as required. Summary progress updates will be reported to the Cabinet.</p>