

Glasgow City Region Cabinet

Report by Head of Audit and Inspection, Glasgow City Council

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INTERNAL AUDIT PLAN 2023/24

Purpose of Report:

To present to the Cabinet the internal audit plan for 2023/24 for the Glasgow City Region Cabinet.

Recommendations:

Members are asked to agree to the implementation of the Audit Plan for 2023/24.

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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 2020/21 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 2023/24

- 2.1 The areas included in the Internal Audit Plan for 2023/24 are:
- Shared Prosperity Fund (SPF) Assurance Framework compliance
 - Relationship Management and Stakeholder Engagement
 - Financial Monitoring
 - 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 Cabinet 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

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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 an 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 2023/24

- 3.1 The main output of Internal Audit in 2023/24 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 2023/24, 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 2023/24 is £21,500.

4. 2022/23 UPDATE

- 4.1 There were four elements in the 2022/23 audit plan. The current status of each is:
 - Change Control and Contract Management phase 2 – fieldwork is complete and the report will be presented to Cabinet in May 2023;
 - Project Procurement Strategies – fieldwork is complete and the report will be present to Cabinet in May 2023;
 - Programme Skills, Knowledge and Experience Arrangements – report is anticipated to be presented to Cabinet in August 2023, and
 - Ensuring Value for Money within Project Stages (Advisory) – this is ongoing with assistance from Internal Audit being provided to the PMO as required.

5. RECOMMENDATION

- 5.1 The Cabinet is asked to agree to the implementation of the Internal Audit Plan for 2023/24.

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Appendix 1

Glasgow City Region Cabinet – Audit Plan 2023/24

Assurance Area	Planned Internal Audit Activity
Governance	Shared Prosperity Fund Assurance Framework Compliance A SPF Assurance Framework was recently developed for SPF projects that will be undertaken by all Member Authorities (MA's). Work will be undertaken to ensure that MA's are complying with the requirements outlined in the framework, including the reporting requirements detailed in UK Government guidance.
Governance	Relationship Management and Stakeholder Engagement We will look at a sample of City Deal projects where the MA's have dependencies on other parties, for example, projects where external partners may be required to be deliver related pieces of work. We will review the arrangements to assess how their relationships work to ensure that targets are met. We will consider the impact and risk of potential project delays, slippage etc. have on projects and how MA's are mitigating against these. We will also consider stakeholder engagement to assess the arrangements in place for a sample of projects.
Governance	Financial Monitoring We will consider this review in two parts: (i) MA financial monitoring at a local and project level (ii) financial monitoring conducted by the PMO. We will include the current financial pressure that all Local Authorities are under and the impact these and other external factors are having on City Deal projects.
Follow up	We will undertake an audit of the progress against Internal Audit recommendations, undertaking additional testing as required. Summary progress updates will be reported to the Cabinet.

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