

AUDIT	2018/19 (Days)	COMMENTARY	STATUS
Assurance			
Review of Corporate Governance	10	A sample of the key elements in the Code of Corporate Governance are tested to determine whether these are operating as described. The results from this testing are included within the Annual Governance Statement.	Ongoing follow-up on implementation of actions on Areas of Improvement set out in the Annual Governance Statement 2017/18; Annual evaluation of compliance with and effectiveness of the Council's Local Code of Corporate Governance scheduled 4th Qtr.
Annual Assessment of Internal Control and Governance	10	The Chief Internal Auditor is required to prepare an annual report for Management and the Audit Committee summarising the work undertaken by Internal Audit during the year and forming an opinion on adequacy of the Council's arrangements for risk management, governance and control.	Annual evaluation of effectiveness of the Council's internal controls and governance arrangements scheduled 4th Qtr.
Performance Management	20	Provide independent validation of performance indicators and benchmarking information to support self-assessment and continuous improvement of the Council's services.	Scheduled 3rd Quarter
Workforce Strategy and Plans	30	Review of approach to workforce development in alignment with business and financial planning processes to provide skills, knowledge and competency requirements for service delivery to meet the Council's objectives.	Scheduled 3rd Quarter
Delivering Excellence Programme	30	Review of governance and accountability arrangements for Delivering Excellence programme including a review of processes for benefit (financial and other) identification, tracking and realisation.	Continuous audit approach; during first 6 months Chief Internal Auditor in 'critical friend' role engaged in Business Transformation Board and Strategic Leadership Group forums to ascertain practice. Assurance Report scheduled 3rd Quarter.
	100		

AUDIT	2018/19 (Days)	COMMENTARY	STATUS
Assurance			
Financial Policy Framework	15	Assess the Financial Policy Framework established, including Financial Regulations and associated policies, procedures and guidelines, and evaluate arrangements in place to review and update them.	Treasury Management Final Report issued 30 May 2018. Continuous audit of other elements of Financial Policy Framework as part of Annual Assessment of Internal Control and Governance within Annual Assurance Report.
Revenue Financial Budget Monitoring	15	Assess the review, scrutiny and challenge on revenue financial budget monitoring reports by elected members.	Scheduled 4th Quarter
Payroll *	25	Testing of controls at Service level on Starters and Leavers to ensure completeness and accuracy.	Slight delay compared to schedule in programme of work - Report 3rd Qtr.
Sales to Cash	25	Review of income management controls to set fees and charges for services, raise invoices promptly, and collect debts efficiently to ensure debtors' balances are complete, accurate and recoverable.	Scheduled 4th Quarter
Procurement and Management of Contracts *	25	Review of ordering of goods and services, commitment systems and processes at Service level including authorisation to test compliance.	Assurance on whole of Procurement journey therefore combining planned activity on Contract Tenders, Procurement to Payment, and Contract Management. Slight delay compared to schedule in programme of work - Report 4th Qtr.
Electronic payments systems	20	Review of security and authorisation controls, including segregation of duties.	Scheduled 3rd Quarter dependant on implementation of new system controls
Contract Tenders	30	Review the Procurement Strategy and tender procedures that underpin effective contracts.	Trade Waste Final Report issued 25 May 2018. Substantive testing of sample of Contracts included within audit scope of Procurement and Contract Management audit.
ICT Security Controls	20	Assess the adequacy of the physical access and environmental controls to ICT equipment, software and data to prevent unauthorised access / damage, including 3rd party access and PSN compliance.	Scheduled 4th Quarter
ICT Operational Processes	30	A review of the change / incident / problem management operational controls to ensure they are designed appropriately and that all parties are adhering to them. Assess response to Audit Scotland report May 2017 "Principles for a digital future: Lessons learned from public sector ICT projects"	Scheduled 3rd Qtr
	205		

AUDIT	2018/19 (Days)	COMMENTARY	STATUS
-------	-------------------	------------	--------

Assurance

Community Engagement	0	Evaluate systems and procedures in place to assist the Council to engage with and communicate to the community in setting, delivering and reporting on its vision, priorities and plans. Assess Community Empowerment Act implications and extent to which the Council is complying with key elements.	Scheduled 4th Quarter, however Best Value Assurance review will cover aspects of this area. Proposed deferral to 2019/20 plan.
Information Governance	30	Review of the Information Governance framework including roles and responsibilities, policy development and implementation. Assess compliance with General Data Protection Regulations which come into force May 2018.	Continuous audit approach; during 1st Quarter Internal Auditor in 'critical friend' role assessed preparations for GDPR 25 May 2018. Assurance Report scheduled 4th Quarter.
Following the Public Pound *	20	Assess authorisation and monitoring processes and procedures against Following the Public Pound code of practice in support of securing Best Value.	Slight delay compared to schedule in programme of work - Report 3rd Qtr.
Capital Investment	30	Assess compliance with established good practice by Accounts Commission - strategic asset management plans; governance of capital investment; capital planning; review, scrutiny and challenge; capital financial budget monitoring; delivery of the capital programme/projects.	Social Housing Programme Phase 2 Final Report issued 12 September 2018. Continuous audit of other elements as part of Annual Assessment of Internal Control and Governance within Annual Assurance Report.
Learning Estate Strategy	25	Assess the governance in place to ensure key milestones / outcomes are being achieved.	Audit work done. Learning Estate Strategy being reviewed and Internal Auditor to be engaged to add value.
Commercial Rents	0	Assess internal financial controls and governance arrangements linked to Corporate priorities including estate management.	Scheduled 3rd Qtr. Proposed deferral to 2019/20 plan.
Business Gateway	0	Assess achievement of targets and transparency of reporting to elected members.	Scheduled 4th Quarter. Proposed deferral to 2019/20 plan.
Developer Contributions	10	Follow-up on implementation of improvement actions to enhance internal controls.	Scheduled 4th Quarter
	115		

AUDIT	2018/19 (Days)	COMMENTARY	STATUS
-------	-------------------	------------	--------

Legislative & Other Compliance

Tyne Esk Leader Grant Fund	10	Annual requirement to review the controls in place to deliver the Tyne Esk Leader Grant Fund and to undertake compliance related work as defined by the Service Level Agreement.	Scheduled 3rd Qtr. Reduced plan days from 20 to 10.
Construction Industry Scheme	10	Annual requirement to undertake a review in this area to test that the scheme rules are being complied with as required by HMRC.	Substantive testing carried out 1st Quarter; results reported to relevant Management with a proposal in light of the findings to reduce the frequency of this Compliance activity from Annual to 3-Yearly within the Internal Audit Plan.
	20		

AUDIT	2018/19 (Days)	COMMENTARY	STATUS
Consultancy			
Consultancy	20	Support Management in delivering innovation and transformational change and add value by influencing and offering ways to enhance the governance and internal control environment. In its 'critical friend' role provide: internal challenge as part of transformation projects; and an independent and objective assessment of the evidence to support self-evaluation and improvement underpinning Best Value.	Continuous audit approach; during first 6 months Chief Internal Auditor in 'critical friend' role engaged in Business Transformation Board, Strategic Leadership Group and Preparation Best Value Review forums. Reduced plan days from 60 to 20.
	20		

AUDIT	2018/19 (Days)	COMMENTARY	STATUS
Other			
PSIAS Self-Assessment and CIPFA Audit Committee Self-Assessment	15	Undertake annual self-assessment against the Public Sector Internal Audit Standards (PSIAS) and report findings to the Audit Committee. Provide assistance to Chair in undertaking an assessment of the Audit Committee against the CIPFA best practice guidance.	Chief Internal Auditor facilitated Audit Committee Self-Assessment on 1 May 2018 that resulted in the Chair's Report to Audit Committee 19 June 2018. Internal Audit annual self-assessment scheduled 4th Qtr.
Recommendation Follow Up Reviews	29	Undertake 2 reviews: the first assesses performance against closing Audit Actions by the agreed due date; and the second includes a sample check on the adequacy of new internal controls for Audit Actions flagged as closed.	Follow-up Review of Audit Recommendations Final Report issued on 30 August 2018. Second review scheduled 3rd Quarter. Reduced plan days from 35 to 29.
Contingency	15	Support / undertake any investigations and other reactive work to ensure high risk issues and concerns identified by Management or Audit Committee during the year are appropriately addressed.	On request and in agreement by Chief Internal Auditor. Reduced plan days from 30 to 15.
Help Desk Enquiry system	20	Internal Audit has a help desk facility where guidance and advice is given to Management on internal controls. The help desk is also used to manage any enquiries received through the whistle-blowing facilities offered by the Council.	Ongoing. Reduced plan days from 33 to 20.
Administration of Audit Scotland Reports	4	Internal Audit co-ordinates submission of Audit Scotland Reports to the Audit Committee.	Ongoing; Tracker in place to coordinate relevant Management presenting reports to Audit Committee or other relevant Committee to ensure transparency of best practice and lessons learned.
Support for the Risk Management and Integrity Groups	7	Internal Audit attends and provides support to the Risk Management Group and the Integrity Group.	Ongoing; Attendance of Principal Internal Auditor and Fraud & Audit Officer at Quarterly meetings of Risk Management Group and Integrity Group respectively. Reduced plan days from 15 to 7.
Audit Planning for 2019/20	10	Renew risk assessment, develop and consult on the Internal Audit Annual Plan 2019/20.	Scheduled 4th Quarter. Reduced plan days from 15 to 10.
	100		

MLC Total	560
------------------	------------

AUDIT	2018/19 (Days)	COMMENTARY	STATUS
Non MLC			
Midlothian Health and Social Care Integration Joint Board	70	Audit reviews and support to be determined and agreed by the Midlothian Health and Social Care Integration Joint Board for review of the adequacy of the arrangements for risk management, governance and control by the IJB of the delegated resources.	Midlothian Health and Social Care Integration Joint Board (IJB) Internal Audit Annual Plan 2018/19 approved by IJB Audit and Risk Committee on 19 March 2018. In respect of joint services, assurances will be sought as appropriate from partner internal audit service providers (e.g. NHS Lothian and MLC Internal Audit). Audit work ongoing. Internal Audit annual assurance report will be presented to IJB Audit and Risk Committee.
	70		

Overall Total	630
----------------------	------------