Midlothian Council Internal Audit Annual Plan 2018/19 **Appendix 2**

Ref	Category	Audit	Number of Days	Commentary
1.	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.
2.	Assurance	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.
3.	Assurance	Performance Management	20	Provide independent validation of performance indicators and benchmarking information to support self-assessment and continuous improvement of the Council's services.
4.	Assurance	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.
5.	Assurance	Delivering Excellence Programme	40	Review of governance and accountability arrangements for Delivering Excellence programme including a review of processes for benefit (financial and other) identification, tracking and realisation.

Ref	Category	Audit	Number of Days	Commentary
6.	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
7.	Assurance	Revenue Financial Budget Monitoring	15	Assess the review, scrutiny and challenge on revenue financial budget monitoring reports by elected members.
8.	Assurance	Payroll	25	Testing of controls at Service level on Starters and Leavers to ensure completeness and accuracy.
9.	Assurance	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.
10.	Assurance	Procurement to Payment	25	Review of ordering of goods and services, commitment systems and processes at Service level including authorisation to test compliance.
11.	Assurance	Electronic payments systems	20	Review of security and authorisation controls, including segregation of duties.
12.	Assurance	Contract Tenders	30	Review the Procurement Strategy and tender procedures that underpin effective contracts.
13.	Assurance	ICT Security Controls	20	Assess the adequacy of physical access and environmental controls to ICT equipment, software and data to prevent unauthorised access / damage, including 3rd party access and PSN compliance.
14.	Assurance	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"

Ref	Category	Audit	Number of Days	Commentary
15.	Assurance	Community Engagement	30	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.
16.	Assurance	Information Governance	40	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.
17.	Assurance	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.
18.	Assurance	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.
19.	Assurance	Learning Estate Strategy	25	Assess the governance in place to ensure key milestones / outcomes are being achieved.
20.	Assurance	Commercial Rents	25	Assess internal financial controls and governance arrangements linked to Corporate priorities including estate management.
21.	Assurance	Business Gateway	15	Assess achievement of targets and transparency of reporting to elected members.
22.	Assurance	Developer Contributions	10	Follow-up on implementation of improvement actions to enhance internal controls.

Ref	Category	Activity	Number of Days	Commentary
23.	Legislative and Other Compliance	Tyne Esk Leader Grant Fund	20	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.
24.	Legislative and Other Compliance	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.
25.	Consultancy	Consultancy	60	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.
26.	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.
27.	Other	Recommendation Follow Up Reviews	35	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.
28.	Other	Contingency	30	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.
29.	Other	Help Desk Enquiry system	34	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.

Ref	Category	Activity	Number of Days	Commentary
30.	Other	Administration of Audit Scotland Reports	4	Internal Audit co-ordinates submission of Audit Scotland Reports to the Audit Committee.
31.	Other	Support for the Risk Management and Integrity Groups	15	Internal Audit attends and provides support to the Risk Management Group and the Integrity Group.
32.	Other	Audit Planning for 2019/20	15	Renew risk assessment, develop and consult on the Internal Audit Annual Plan 2019/20.
33.	Non-MLC	Audit reviews and support for the Integration Joint Board	70	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.
Internal Audit Total			797	

Corporate Fraud Activity

Ref	Category	Activity	Number of Days	Commentary
1.	Compliance	Licensing	20	Compliance testing of Licensing
2.	Compliance	Contract Management	35	Compliance testing of governance and internal controls in place over Contract monitoring arrangements with third parties.
3.	Compliance	Council Tax Reduction Scheme, Discounts and Exemptions	50	Compliance testing of Council Tax Reduction Scheme, Discounts and Exemptions to determine whether these reductions are claimed legitimately.
4.	Data Match	Subletting of Council Owned Properties	30	Local data match of Council Tax system to house rents system to identify potential subletting of Council houses.
5.	Data Match	National Fraud Initiative	55	To co-ordinate the NFI exercise, review and investigate matches and produce reports for the Audit Committee on results of these matches.
6.	Other	Corporate Fraud Policy and Strategy	10	Review and update, as required, of counter fraud policy statement and approach to managing the risk of fraud.
7.	Other	Fraud Awareness Training	10	A budget is set aside to allow fraud awareness training to be provided to Management and Staff by the Corporate Fraud team.
Corporate Fraud Total			210	