## Internal Audit Planning Approach

* 1. The overall objective of Internal Audit is to provide independent assurance on the adequacy and effectiveness of the systems of controls which have been established to manage the risks of the organisation to enable the achievement of organisational goals and ensure accountability for public funds.
  2. Within this broad objective, it is Internal Audit’s responsibility to review, appraise and report upon:

1. the soundness, adequacy and application of the organisation’s financial and other internal controls;
2. the extent of compliance with the organisation’s objectives, policies and procedures;
3. the degree to which the organisation’s assets and interests are safeguarded;
4. the adequacy of systems in place to ensure that the organisation obtains value for money from its activities;
5. the reliability and adequacy of management information; and
6. the effectiveness of risk management.
   1. The Audit Plan has been scoped taking into account the responsibilities highlighted above.
   2. This includes identifying all the auditable areas. For the Assembly Commission this encompasses all key processes and systems across Service Areas.
   3. The Internal Audit focus for 2019-20 includes areas which are highlighted as risks in corporate and/or service level risk registers, as well as areas highlighted as a concern from previous audit reviews or from discussions with senior management.
   4. The Audit Plan for 2019-20, at Appendix 1, comprises a main programme of new reviews and follow up work, together with other key areas of Internal Audit activity.
   5. The Commission faces a significant amount of change in the forthcoming year, and indeed in the years beyond that, including Brexit and further constitutional change. Internal Audit will continue to ensure that support and assurance is provided where required – by observing on project boards, acting as a critical friend and providing ad hoc assurance as and when this is necessary.
   6. As Head of Governance and Assurance I will keep a watching brief over a number of areas and provide assurance to the Accounting Officer and ACARAC, without undertaking formal internal audit reviews; these areas include but are not limited to;

* The Assembly Commission’s preparedness for Brexit, including the effectiveness of planning and use of business continuity plans.
* Providing independent assurance to the Voluntary Exit Scheme, including producing a report once the process is completed.
* Keeping aware and feeding into other reviews which will take place over the coming year. This includes the proposed end to end review of Committee Services, as recommended by the Capacity Review. Internal Audit remains committed to ensuring sufficient audit coverage of all aspects of the Assembly Commission are covered in its work programme. I plan to continue regular dialogue with the new Director of Assembly Business and consider the findings and outcomes of the end to end review and how this might shape the coverage of other Assembly Business areas in future audit plans.
* Assessing the progress being made by the Assembly Commission in response to recommendations raised in relation to Dignity and Respect.
* Undertaking an effectiveness review of the Executive Board and Leadership Team, one year on from their introduction.
  1. I will also continue to keep the Internal Audit Plan under review and ensure an appropriate balance of internal audit report work and other assurance activities are maintained, and communicate to the Committee should any substantive changes to the Plan become necessary.
  2. Currently, the draft Plan provides indicative timing where this has been agreed but this may be adjusted once the scoping for each audit area has been established The Audit Plan has been developed to reflect current priorities and risks, but as stated above, should remain flexible if events dictate.

## Conclusion and Recommendation

* 1. The Audit Plan is presented to the Committee for consideration and approval.

| **Activity** | **Outline audit approach** | **Timing** | **Sources** | **In-house/ outsource** | **Est. Days** | **Target ACARAC Meeting** |
| --- | --- | --- | --- | --- | --- | --- |
| General Data Protection Regulations | Review of the Assembly Commission’s progress to comply with the new regulations and progress made in relation to previous audit recommendations. | January 2020 | Corporate Risks on GDPR | Outsource (1) | 5 | Feb 2020 |
| Fixed Assets | Review of the effectiveness of the internal control arrangements around the recording, safeguarding and accounting of Assembly Commission fixed assets.   * Scope to include controls over recording, verification and security of fixed assets. * Work to also include reviewing and testing the effectiveness and robustness of the fixed asset module now integrated in the Microsoft NAV Financial System. | September 2019 | New module of the NAV system implemented not previously tested in the last audit of key financial controls. | Outsource | 8 | October 2019 |
| Review of Project Management Changes | A review of the progress and effectiveness of the new project and change management arrangements being introduced in spring 2019.   * Work to include an evaluation of the effectiveness of the new structure, prioritisation of projects and the governance arrangements in place including the role of the Executive Board in its guise as the Change Board | March 2020 | New and significant restructure in year. | In-house | 10 | April 2020 |
| Procurement | Review procurement procedures for the award of contracts including:   * Evidencing the checks put in place around the terms and conditions of suppliers’ employees. * Evaluation of the approach adopted by the Assembly Commission to ensure that contract opportunities are open to all and that smaller, local Welsh suppliers are not precluded from winning contracts individually, as consortia, or through roles within the supply chain. Giving assurance on whether the Commission’s approaches for achieving this are effective, risk based and proportionate. | August/  September 2019 | Increased levels of scrutiny over our procurement and contract award arrangements from the Assembly Commission. | Outsource | 5 | October 2019 |
| Capacity Review | An audit to consider the impact of the Capacity Review and to assess if the changes identified have been made and whether benefits are being realised. | October 2019 | Risk on corporate capacity. | In House | 5 | February 2020 |
| Sickness Absence | An evaluation of the effectiveness of the systems and controls in place around the recording of sickness absence and the strategies introduce to manage and reduce absences with the Assembly Commission. | June/July 2019 | Regular scrutiny and questioning on this subject from the Public Accounts Committee. | Outsource | 5 | October 2019 |
| Official Languages Scheme Compliance | Review of the Assembly Commission’s compliance with the OLS and the tools and systems used to measure compliance.  Also an evaluation of the value for money of the use of external outsourced translators. | January 2020 | Compliance review – not audited for four years. | In house | 5 | February 2020 |
| Assembly Business | Value for Money review of the Research Service which will include consideration of the Library’s financial processes and purchases, including the process of calculating prepayment figures in order to determine accurate budgetary forecasts and to reconcile spend against the NAV system. | October 2019 | Value for money review in line with Public Sector Internal Audit Standards and to ensure that coverage on Assembly Business areas remans part of the Internal Audit Plan. | In house | 5 | February 2020 |
| Cyber Security | This continues to be an annual review of the Commission’s controls around cyber security. Given the dynamic nature of this area – it has been agreed that this will form part of the audit plan year on year. | Feb 2020 | Corporate Risk ICT 16 - That the existing detection, protection and response processes fail to secure the Assembly against cyber-attack. | Outsource | 8 | Apr 2020 |
| Reimburse-ment of Assembly Member Expenses | To review and assess the internal control arrangements in place for the reimbursement of Members’ expenses during 2019/20.  The audit seeks assurance that:   * claims submitted by Members are subject to appropriate checks and controls; * payments are only made for valid and complete claims; and * claimants give consideration to value for money. | On-going | Standing part of Internal Audit programme –to provide additional assurance on this sensitive area of Commission spend going forward. | In-house | 20 | Throughout the Year. |
| Follow Up of 2018-19 Audits | Following up the recommendations raised in 2018-19 Internal Audit Reports | On-going | Part of annual Internal Audit rolling programme | In-house | 5 | Throughout the Year |

1. As GDPR is an area for which the Head of Governance and Assurance has responsibility the audit has to be outsourced in line with the provisions in the Internal Audit Charter.**Detailed Time Allocation for Head of Internal Audit**

| **Audit Activity** | **Timing** | **Est. Days** |
| --- | --- | --- |
| Annual Governance Statement and Assurance Framework | January/February and July | 5 |
| Additional control checks quality assurance on draft financial statements/ accounts preparation | May/June 2018 | 5 |
| Audit advice and guidance to Management and Teams | On-going | 6 |
| Other assurance and governance work | On-going | 40 |
| Managing Internal Audit Contract | On-going | 3 |
| Recruitment, induction and meeting Internal Audit Advisers | On-going | 5 |
| Review of TIAA work | On-going | 10 |
| Audit and Risk Assurance Committee Meetings (preparation, meetings and actions) | Key target dates June, July, October, February | 10 |
| Intra Parliamentary Internal Audit Forum Commitments | September, January and March | 6 |
| Audit Liaison (External – Internal) | On-going | 5 |
| Planning for 2020-21 | January – March 2019 | 5 |
| Training and Administration | On-going | 10 |
| Contingency | N/A | 15 |
| Quality Assurance and Improvement Plan | On-going | 5 |
| In-house Work | On-going | 50 |
| Line Management of Governance Team (PMDR, Catch Ups, Team Meetings etc.) | On-going | 20 |
| Head of Service Responsibilities (Management Board, Risk Management etc.) | On-going | 20 |
| Total | N/a | **220** |