Governance, Risk, and Best Value Committee

10.00am, Tuesday 29 September 2020

Internal Audit Annual Plan 2020-21

Item number	
Executive/routine	Executive
Wards	
Council Commitments	

1. Recommendations

The Committee is requested to:

1.1 review and approve the revised 2020/21 Internal Audit annual plan and supporting risk assessment; and

1.2 note that delivery of the 2020/21 annual plan may need to be paused in the likely event of another significant resilience incident.

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EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Report

Internal Audit Annual Plan 2020-21

2. Executive Summary

2.1 The purpose of this paper is to present the draft Internal Audit (IA) plan and supporting IA risk assessment for 2020/21 that outlines the IA assurance to be provided between 1 October 2020 and 31 March 2021 to the Committee for approval.

2.2 Recognising that only six months are available to complete the IA annual plan, it is important to ensure that the number of audits delivered remains aligned with the audits completed to support the limited 2019/20 limited IA annual opinion.

2.3 It is also important to recognise that 2020/21 plan delivery may also need to be paused or amended in the likely event of another significant resilience incident, and that any further pauses could result in another limited 2020/21 annual IA opinion. Progress with plan delivery and the impact of potential incidents will be kept under review.

2.4 The proposed plan includes a total of 46 audits. Of these 37 (including follow-up) will be delivered across the Council in comparison to 31 Council audits completed in 2019/20. This includes 5 of the 13 audits that were not completed in 2019/20 due to Covid-19; and 11 Covid-19 audits that were approved by the Committee in June 2020. A further 9 audits included in the plan will be delivered for arms-length and external organisations.

2.5 Co-source support will be used to support delivery of 14 audits, leaving a balance of 32 audits to be delivered by the Council's IA team, 11 of which are currently underway and expected to conclude by September 2020.

2.6 Analysis was performed in September 2019 that compared audit coverage in Edinburgh with the 22 Scottish Local Authorities who publish their annual IA plans. Calculation of the number of days IA coverage as a percentage of £m revenue confirmed that 16 of the 22 authorities had higher levels of IA coverage per £m of income in comparison to Edinburgh. This analysis confirmed that Edinburgh audit coverage in 2019/20 was not excessive in comparison to other Scottish authorities.

2.7 Recognising the current unprecedented circumstances it is Internal Audit's opinion that whilst the draft plan will provide assurance on the Council's new strategic Covid-19 risks as detailed in the Covid-19 risk management plan, it does not provide full assurance on the Council's most significant risks (as recorded in the Corporate Leadership Team risk register), and does not support provision of the required level of ongoing coverage across all Council service areas based on the frequency of audit coverage determined by the outcomes of the annual risk assessment completed to support the annual plan.

Consequently, reliance has been placed on the IA follow-up process to provide assurance on both the remaining CLT risks, and a number of divisions assessed as high risk based on the outcomes of the risk assessment supporting the IA plan, where no new audits are included in the 2020/21 IA annual plan. However, it is important to note that if agreed management actions associated with open IA findings are not implemented on time, and agreed implementation dates extended, then only limited assurance will be obtained from the ongoing follow-up process. Further detail on these areas is included at 4.3 below.

2.8 The IA resourcing model has confirmed that IA is currently adequately resourced to support delivery of the proposed plan, and the plan includes an appropriate number of contingency days.

2.9 It is not proposed that reliance will be placed on assurance carried out by first or second line teams as there is currently no clearly established lines of defence model within the Council that IA can fully rely on to support the 2020/21 Internal Audit Annual Opinion, and nor are any of the Local Area Network members carrying out relevant audits.

3. Background

3.1 The 2020/21 IA annual plan was originally scheduled to be presented to the Committee for scrutiny and approval in March 2020. However, this meeting was cancelled due to the impacts of the Covid-19 pandemic.

3.2 In response to Covid-19, IA paused both completion of the 2019/20 IA annual plan and commencement of the 2020/21 annual plan, enabling the Council to focus on establishing its resilience arrangements and continuing to deliver services.

3.3 As a result, only 72% of the 2019/20 IA annual plan was completed, with a 'limited' 2019/20 IA annual opinion presented to the Committee in August 2020. This left a total of 13 audits for 2019/20 that were not completed to be considered for inclusion in the 2020/21 annual plan.

3.4 In June 2020, the Committee approved IA proposals to complete 11 audits designed to provide assurance on the design of new and amended operational processes implemented in response to Covid-19 between June and September 2020. It is expected that this work will be completed by September 2020.

3.5   The IA plan is driven by Public Sector Internal Audit Standards (PSIAS) requirements; the Council's organisational objectives and priorities; and an assessment of the risks that could prevent the Council from meeting those objectives and providing services to citizens.

3.6   The approach applied in developing the plan considered the outcomes of work performed by across the Council by other second and third assurance providers, and the extent to which reliance can be placed upon them.

3.7   The Audit Scotland Code of Audit Practice 2016 and PSIAS requirements have also been considered and a coordinated and integrated approach with Scott Moncrieff (the Council's External Auditors); and members of the Council's Local Area Network (LAN) has been applied in developing the plan.

3.8   The risk assessment performed by IA that supports development of the annual plan and drives the frequency of coverage across service areas is based upon a review the risks included in the current Covid-19 Risk Management Plan and the December 2019 CLT risk register; ongoing IA attendance at quarterly Corporate Leadership Team (CLT) and Directorate Risk Committee meetings; weekly Council Incident Management Team meetings; knowledge of new projects and initiatives undertaken by the Council; consideration of prior year Internal Audit findings; and consideration of the current open and overdue Internal Audit findings position.

3.9   Adequacy and capability of Internal Audit resources has also been reviewed in line with PSIAS requirements to confirm whether sufficient resources, skills and capability are available to support delivery of the plan.

3.10   The Internal Audit follow-up process is designed to confirm that findings raised in previous audits have been effectively implemented. IA does not currently apply a more limited 'risk based' follow up approach based on the need to further improve risk and control awareness and embed the risk and control culture across the Council.

3.11   Consequently, all IA findings raised in audit reports regardless of their ratings are reviewed by IA to confirm that that the agreed management actions have been effectively implemented and sustained. This approach will be reviewed annually.

4.   Main report

Scope of Assurance

4.1   The internal audit plan reflects the key areas of Internal Audit focus for 2020/21 and is based upon the PSIAS; the Council's organisational objectives and priorities; and an assessment of the combined Covid-19 and CLT risks that could prevent the Council from meeting those objectives and providing services to citizens.

4.2   Whilst the plan is appropriately structured to provide assurance on the majority of the Council's most significant risks (as recorded in the CLT risk register), it will not provide assurance on the Housebuilding Programme risk included in the December

2019 risk register that was assessed as a high original and medium current risk. This area was audited as part of the 2019/20 annual plan (Preparation of the Strategic Housing Investment Plan, and Management of Development Funding audits), with no significant issues identified.

Reliance on the IA Follow-up process

4.3   The IA risk assessment has also highlighted that the proposed plan does not support provision of an appropriate level of ongoing assurance coverage across all Council service areas as required based on the outcomes of the annual IA risk assessment prepared to support the plan that determines the frequency of audits to be performed across the Council.

4.4   Consequently, reliance has been placed on the IA follow-up process to provide assurance on those divisions assessed as high risk where no new audit coverage is included in the proposed 2020/21 IA annual plan.

4.5   A total of 250 follow-up days (circa 30% of available plan days) has been included in the plan which remains proportionately aligned with the 2019/20 follow-up allocation (30%), reflecting that IA does not currently apply a 'risk based' follow up approach.

4.6   It is important to note that if agreed management actions associated with open IA findings are not implemented on time, and implementation dates are extended, then only limited assurance will be obtained from the ongoing follow-up process.

Plan Content

4.7   The 2020/21 IA plan includes a total of 46 audits, including follow-up days and 5 audits carried forward from 2019/20. Of these, 37 audits will be delivered across the Council in comparison to the 31 audits delivered to support the limited 2019/20 limited IA annual opinion, with 11 Covid-19 reviews currently underway.

4.8   The plan includes an increased number of Council-wide and multiple service area reviews (12 in comparison to 8 completed in 2019/20). These have been included to provide assurance on the key controls established to manage the most significant Covid-19 and strategic and operational service delivery risks associated with the services and processes that span across the Council.

4.9   As in previous years, 9 audits will be delivered for arm's length and external organisations: 3 for the Lothian Pension Fund, and the remaining 6 for the Lothian Valuation Joint Board (1); SEStran (1); the Edinburgh Royal Military Tattoo (1) and the Edinburgh Integration Joint Board (3).

4.10   The plan also includes time for Internal Audit quality assessment. The last external quality assessment (EQA) was performed in 2016/17, and the next will be completed in 2021/22, in compliance with the five-year EQA cycle requirement specified in the PSIAS.

4.11 Time has also been included (5 days) for ongoing delivery of training for Council employees and Elected Members; and IA attendance at, and involvement in, new start and senior management induction training.

Partnership Working

4.12 The draft plan has been discussed with Scott Moncrieff (the Council's currently appointed external auditors); Audit Scotland and other Local Area Network (LAN members) in line with the requirements of the Audit Scotland Code of Audit Practice 2016 (section 33) that external auditors to coordinate their work with IA; Audit Scotland; other external auditors; and relevant scrutiny bodies to secure value for money by removing unnecessary duplication and provide a clear programme of scrutiny activity for audited bodies.

4.13 A coordinated and integrated approach with Scott Moncrieff will be adopted in relation to the ongoing audit of two major projects where IA and Scott Moncrieff will work together to deliver assurance. Scott Moncrieff has identified a further 7 audits where they will endeavour to take account of the work performed by IA to support their 2020/21 financial statements review.

4.14 Further detail on the coordinated and integrated approach with External Audit; Audit Scotland; and Local Area Network members is included at section 3.5.3 of the proposed annual plan included at Appendix 1.

Ongoing co-source support

4.15 Some specialist skills will be required during the year and specialist support will be requested to deliver 14 specialist audits covering Digital Services; Health and Safety; the planned GRBV effectiveness audit; and Lothian Pension Fund. This will leave a balance of 32 audits (including follow-up) to be delivered by the Council's Internal Audit team. Of the 32 audits to be completed, 11 Covid-19 audits are underway and are expected to be completed by September 2020.

IA capacity

4.16 The IA resourcing model has confirmed that IA is currently adequately resourced to support deliver of the proposed plan.

4.17 The resourcing model allows for potential sickness absence, and time reserved to support team training and personal development; performance management; ongoing audit system enhancement; and governance and committee reporting activities.

4.18 The model also includes an assumption that a vacancy at the end of September 2020 will not be filled until January 2021. Recruitment is currently underway.

4.19 The plan includes 62 days contingency time, which is the equivalent of 12 working weeks or 2 completed audits. Contingency time is also included in the time reserved to support the administrative activities performed by the IA team that are detailed at para 4.15 above.

Reserve List

4.20   Recognising the need to potentially revise the IA plan to reflect the Council's changing risk profile and organisational changes, a 'reserve list' of audits has also been prepared that have not been included in the plan. This includes audits that were not completed in 2019/20 and have not been included in the 2020/21 annual plan, and a number of audits that were considered for inclusion in the original 2020/21 annual plan.

4.21   The following 8 audits included in the reserve list were included in the 2019/20 annual plan, but not delivered due to Covid-19. These audits were considered for inclusion in the 2020/21 annual plan, but were excluded to enable IA to focus assurance efforts on areas of higher risk. These audits are:

4.21.1   Council Wide – Performance Management Information – a review of Covid-19 data and Scottish Government returns has been included in the plan that will cover this area.

4.21.2   Council Wide – Prevention Services

4.21.3   Council Wide – Internal Council Companies

4.21.4   Council Wide – Enhanced / Intensive Housing Benefit

4.21.5   Property and Facilities Management - Repairs and maintenance – reliance will be placed on ongoing follow-up work to be performed in this area.

4.21.6   Customer and Digital Services – Customer Experience – customer experience will be considered within the scope of the planned Council Tax and Business Rates Audit

4.21.7   Communities and Families – Criminal Justice Social Work

4.21.8   Health and Social Care – Follow up of the findings raised in the 2016/17 Care Homes Audit. It is not considered appropriate to focus on Care Homes in the current Covid-19 operating environment.

4.22   Where any planned audits cannot be completed (for example, where a decision has been taken that a major project will not progress), the risks associated with the areas included on the reserve list will be considered and an alternative audit selected.

Reliance on other assurance providers

4.23   Whilst assurance work performed by other second and third line assurance providers have been considered as part of the risk assessment processes, Internal Audit will not place reliance upon these other sources of assurance to support the 2018/19 annual Internal Audit Opinion.

5.   Next Steps

5.1   Once approved by the GRBV, the IA plan will be shared with the Corporate Leadership Team, and Heads of Service, with reviews commencing from 1 October 2020.

6.   Financial impact

6.1   It is estimated that the additional co-source and specialist skills required to support delivery of the 2020/21 annual plan will incur circa £50K unplanned costs that are not currently reflected in the Internal Audit allocated budget.

7.   Stakeholder/Community Impact

7.1   The Corporate Leadership Team; Senior Management; political groups; and elected members of the Governance, Risk and Best Value Committee have been consulted and engaged when developing the plan.

8.   Background reading/external references

8.1   Public Sector Internal Audit Standards

8.2   Process for approving changes to the Internal Audit plan

9.   Appendices

Appendix 1 – Internal Audit annual plan 2020-21

The City of Edinburgh Council
Proposed Internal Audit Annual Plan 2020/21

Contents

1. Introduction and Approach
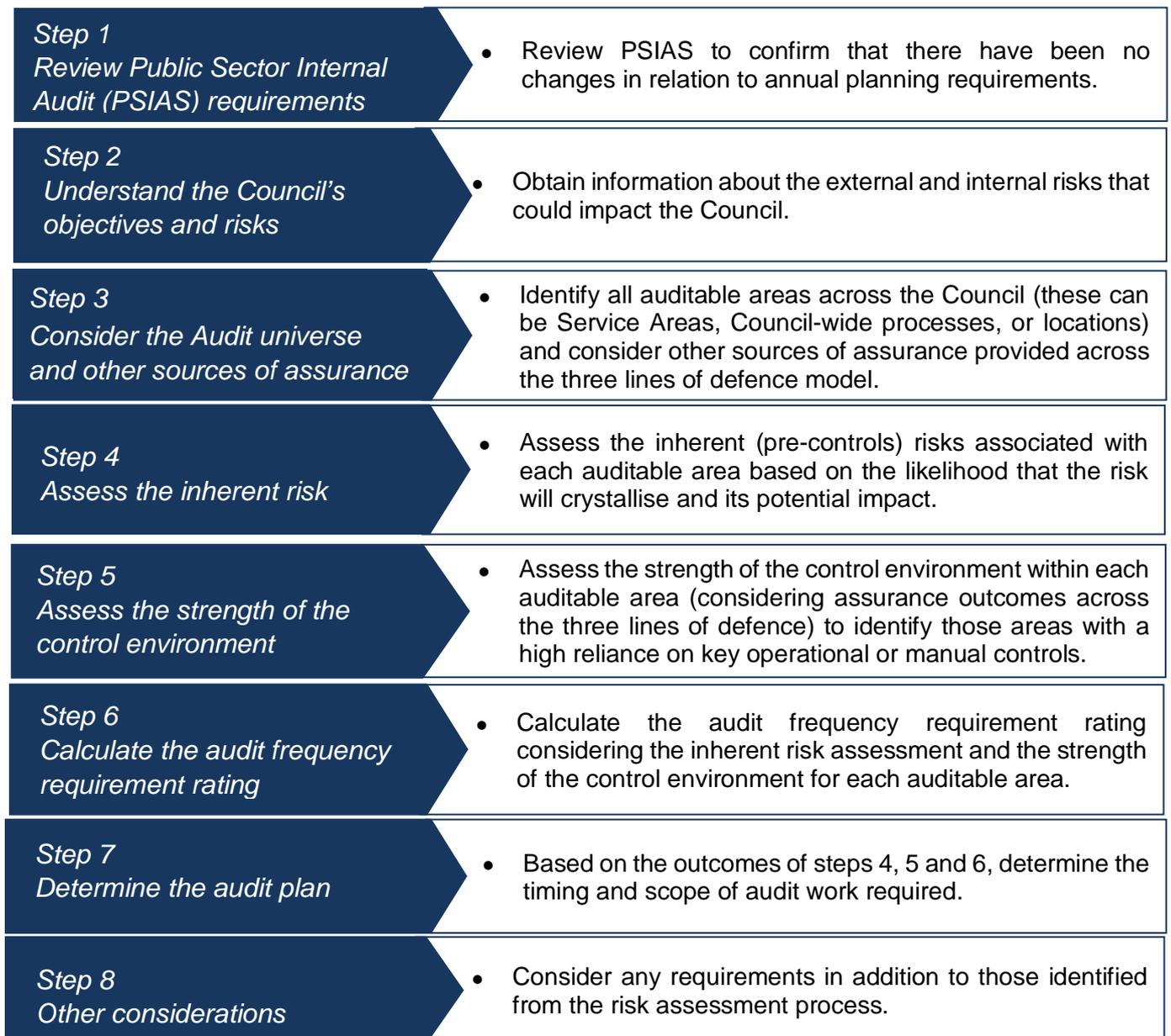
1.1   Introduction

This document sets out the scope of the Internal Audit (IA) 2020/21 annual plan that will be delivered across the remaining six months of the 2020/21 financial year. For completeness, the plan also includes the 11 Covid-19 audits approved by the Council's Governance, Risk and Best Value Committee (GRBV) in June 2020 that are currently in progress.

As the objective of the plan is to deliver assurance on the key controls established across the Council to mitigate its most significant risks, the supporting risk assessment includes the impacts of Covid-19 pandemic observed across the Council, and has been mapped (where appropriate) to the strategic risks included in the Council's Covid-19 Risk Management Plan, in addition to the risks included in the most recent version of the Corporate Leadership Team (CLT) risk register reviewed by GRBV in December 2019.

1.2   Approach

A summary of the approach applied when assessing the Council's key risks and preparing the annual plan is set out below in Figure 1. The IA plan is driven by the requirements of Public Sector Internal Audit Standards (PSIAS); the Council's organisational objectives and priorities; and an assessment of the risks that could prevent the Council from meeting those objectives and providing services to citizens. A more detailed description of our risk assessment approach can be found in Appendices 1 and 2.

Figure 1: Approach applied in developing the 2020/21 IA Annual Plan

Step 1 *Review Public Sector Internal Audit (PSIAS) requirements*	• Review PSIAS to confirm that there have been no changes in relation to annual planning requirements.
Step 2 *Understand the Council's objectives and risks*	• Obtain information about the external and internal risks that could impact the Council.
Step 3 *Consider the Audit universe and other sources of assurance*	• Identify all auditable areas across the Council (these can be Service Areas, Council-wide processes, or locations) and consider other sources of assurance provided across the three lines of defence model.
Step 4 *Assess the inherent risk*	• Assess the inherent (pre-controls) risks associated with each auditable area based on the likelihood that the risk will crystallise and its potential impact.
Step 5 *Assess the strength of the control environment*	• Assess the strength of the control environment within each auditable area (considering assurance outcomes across the three lines of defence) to identify those areas with a high reliance on key operational or manual controls.
Step 6 *Calculate the audit frequency requirement rating*	• Calculate the audit frequency requirement rating considering the inherent risk assessment and the strength of the control environment for each auditable area.
Step 7 *Determine the audit plan*	• Based on the outcomes of steps 4, 5 and 6, determine the timing and scope of audit work required.
Step 8 *Other considerations*	• Consider any requirements in addition to those identified from the risk assessment process.

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1.3 Public Sector Internal Audit Standards Requirements – Step 1

The IA plan has been developed based on the requirements of the Public Sector Internal Audit Standards (PSIAS) originally published in April 2013 and last refreshed in April 2017, which specify that:

- the Chief Internal Auditor (CIA) must develop a risk based plan that is consistent with the organisation's goals, and determines the priority of IA activity;
- the plan must be based on a documented risk assessment, undertaken at least annually, with input from senior management and the board (the Corporate Leadership Team);
- the CIA must consult with senior management and the CLT to obtain an understanding of the organisation's strategies, key business objectives, and associated risks and risk management processes;
- the plan must consider the requirement to produce an annual Internal Audit opinion;
- the plan must incorporate or be linked to a strategic or high-level statement of how Internal Audit assurance will be delivered and developed in accordance with the Internal Audit charter and how it links to organisational objectives and priorities;
- the CIA must communicate the Internal Audit plan and resource requirements, including significant interim changes, to senior management and the CLT for review and approval;
- the CIA must ensure that Internal Audit resources are appropriate, sufficient; and effectively deployed to achieve the approved plan;
- the plan must explain how internal audit's resource requirements have been assessed. Where the CIA believes that the level of agreed resources will impact adversely on the provision of the annual internal audit opinion, the consequences must be brought to the attention of the CLT; and
- the CIA must review and adjust the plan, as necessary, in response to changes in the organisation's business, risks, operations, programmes, systems, and controls.

1.4 Understand the Council's Objectives and Risks – Step 2

The annual IA plan is based on an annual assessment performed by IA of the key risks across the Council's Service Areas (the audit universe). The outcomes of the risk assessment process are included at Section 2.

The risk assessment process normally involves attendance at relevant risk committees and governance meetings; combined with stakeholder engagement across the Council to understand perspectives on the Council's objectives and new and emerging risks; engagement with Elected Members; and Local Area Network Members (including the Care Inspectorate; Education Scotland; and the Housing Regulatory Authority).

However, due to the current Covid-19 operating environment for the Council and these external organisations, this level of engagement was not possible.

Instead, reliance has been placed on review of the following documents combined with attendance at the Corporate Incident Management and Council wide weekly Risk Forum meetings team to identify the key risks and challenges currently facing the Council:

Review of the following documents was also performed:

- the Covid-19 risk management plan
- the Council's current Risk Registers (Corporate Leadership Team; Directorates; and Divisions);
- projects and initiatives currently included in the Council's major projects portfolio;

- the Council's financial and performance management information;
- the outcomes of any assurance reviews performed by LAN members as detailed in the City of Edinburgh Council Local Scrutiny Plan 2019/20; and
- progress with implementation of agreed management actions to support closure of open and overdue Internal Audit findings.

Further details on the risk based approach and methodology applied are included at Appendices 1 and 2.

1.5 The Audit Universe and other assurance providers – Step 3

The Council's audit universe is essentially its entire organisational structure. For completion of the risk assessment and development of the annual plan, the structure has been divided into the elements of the central support services within the Council's established directorates and divisions.

1.5.1 Localities Model

Both the Edinburgh Health and Social Care Partnership / Integration Joint Board and the Council's Place Directorate currently operate locality models, where services provided by the Council are grouped and managed under four geographic localities (North East; North West; South East; and South West) that are common to both the Council and other public and third sector organisations across Edinburgh. Localities are also supported by the 12 existing Neighbourhood Partnerships.

Whilst Localities have not been identified as distinct auditable areas within the plan, audit work performed will cover how Council services are provided across the four Localities and will consider the potentially different risk profiles across the Localities.

1.5.2 Major Project Assurance Reviews

The Strategic Change and Delivery team within the Strategy and Communications Division has developed and implemented a new approach to the management of change delivered by projects included in the Council's Major Projects Portfolio to ensure effective oversight of the Portfolio and application of a consistent project management approach across all significant projects.

This approach is currently being refreshed to support implementation of the Adaptation and Renewal Programme (the Programme) that was established In May 2020 to support the Council's recovery from the Covid-19 pandemic and the future adaptation and renewal of both Council services and the city.

The Programme includes five interlinked workstreams, and the projects included in the Major Projects Portfolio have been mapped across into relevant workstreams and will now be delivered through the Programme.

Whilst audit assurance on management of the Portfolio and delivery of individual major change projects has been provided across 2018/19 and 2019/20, IA will complete a review of the governance processes established to support delivery of the Programme and will provide ongoing assurance on the Tram Extension and Enterprise Resourcing Planning projects.

These projects have not been included as auditable areas for the purposes of the risk assessment supporting the plan as delivery responsibilities are allocated across all Council directorates.

1.5.3 Centre visits

Whilst no specific centre based reviews (for example depots; libraries; and cultural venues) have been included in the 2020/21 plan, the Council Wide audits of Fraud and Serious Organised Crime; Managing aggressive and Violent Behaviour; Social Distancing and Employee Protection are likely to focus on some Council centres and schools. Given the current restrictions in place in response to Covid-19, these audits will be performed remotely.

1.5.4 Lothian Pension Fund

The Council's IA team also provides audit services to the Lothian Pension Fund. This comprises three audits each year and a total of 75 audit days. These outcomes of these audits will be reported to the Pensions Audit Sub Committee and Pensions Committee and will not be subject to scrutiny by GRBV.

1.5.5 Edinburgh Integration Joint Board

Audit services are also provided by the Council's IA team to the Edinburgh Integration Joint Board (EIJB) This comprises three audits each year and a total of 75 audit days. These audits are performed for the EIJB and will not be subject to scrutiny by GRBV. However, it is expected that the EIJB Audit and Assurance Committee would refer any relevant internal audit reports to GRBV under the existing reciprocal referral arrangements.
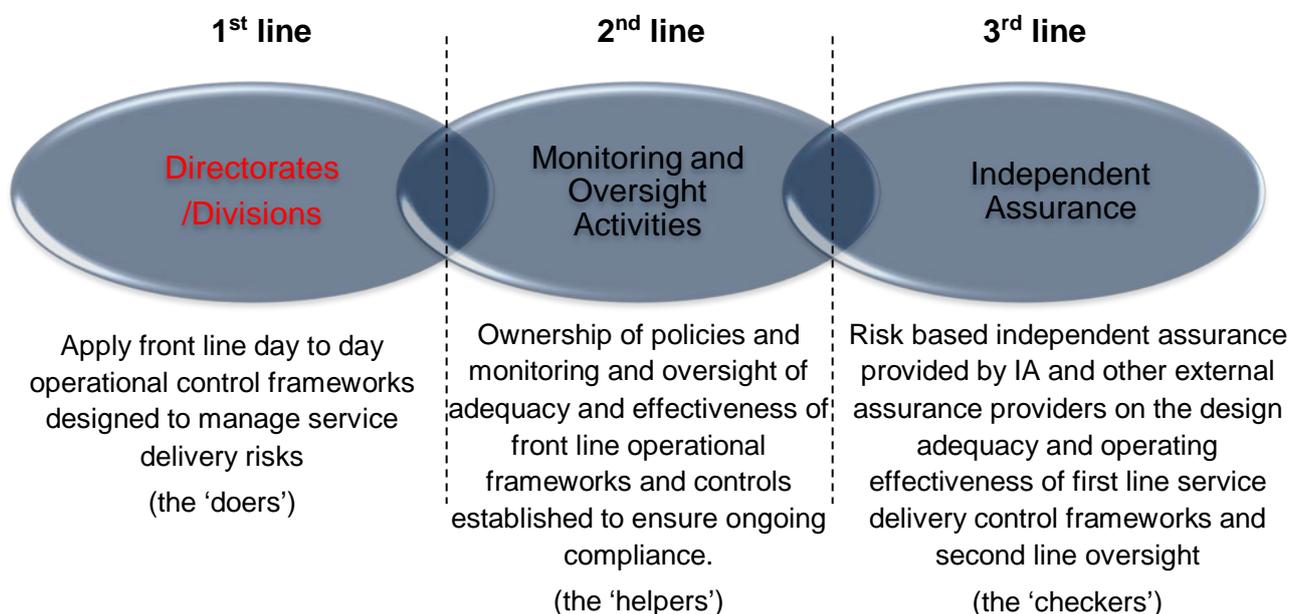
1.5.6 Other Organisations

Assurance is also provided by the Council's IA team to three external arm's length organisations (the Lothian Valuation Joint Board; the Royal Edinburgh Military Tattoo; and the South East of Scotland Transport Partnership (SEStran)). This involves one audit for each organisation and a total of 75 audit days.

1.5.7 The Three Lines Model

The approach applied in developing the plan also considers Internal Audit's role as one of the Council's 3rd line independent assurance providers. The diagram below outlies the three lines assurance model.

Figure 2: The Three Lines Model

1st line	2nd line	3rd line
Directorates /Divisions	Monitoring and Oversight Activities	Independent Assurance
Apply front line day to day operational control frameworks designed to manage service delivery risks (the 'doers')	Ownership of policies and monitoring and oversight of adequacy and effectiveness of front line operational frameworks and controls established to ensure ongoing compliance. (the 'helpers')	Risk based independent assurance provided by IA and other external assurance providers on the design adequacy and operating effectiveness of first line service delivery control frameworks and second line oversight (the 'checkers')

It should be noted that some second line teams (for example Human Resources and Finance) may also have responsibility for ongoing first line service delivery in addition to owning the policies and frameworks that should be applied by all first line service delivery teams.

1.5.8 Other sources of assurance – 2nd and 3rd Lines

In developing the IA risk assessment and plan we have considered other sources of assurance provided to the Council across the second and third lines of defence and have assessed the extent to which reliance can be placed upon them. These include:

- **Second Line** - Risk Management; Corporate Health and Safety; Information Governance; Resilience; Strategic Change and Delivery; Procurement (including Contracts and Grant Management); Human Resources; Finance; and Quality, Governance, and Regulation.
- **Third Line** – Local Area Network members which include the Care Inspectorate; Education Scotland; the Housing Regulator; Audit Scotland and external audit (Scott Moncrieff);
- **Third Line** – Other regulatory authorities who may perform reviews (for example, the Health and Safety Executive; the Scottish Government; and the Information Commissioner's Office).

IA does not place reliance upon these other sources of assurance to support the annual opinion. However, the outcomes of reviews performed by the second and third lines were considered when assessing the strength of the control environment for each auditable area as part of the risk assessment process.

1.5.9 Coordinated and Integrated approach with External Audit

The Audit Scotland Code of Audit Practice 2016 notes (at section 33) that it is important that external auditors coordinate their work with IA; Audit Scotland; other external auditors; and relevant scrutiny bodies to recognise the increasing integration of service delivery and partnership working within the public sector as this helps secure value for money by removing unnecessary duplication and provides a clear programme of scrutiny activity for audited bodies.

The PSIAS also notes that when preparing the annual plan, the CIA should share information, coordinate activities, and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimise duplication of effort.

To support this objective, IA and external audit have worked together to identify areas of planned assurance where a coordinated and integrated approach will be applied, with internal and external audit (Scott Moncrieff) either working in partnership to deliver assurance or external audit taking account of IA reviews. Further details of the specific reviews are included at section 3.5.3 below.

1.5.10 Coordinated and Integrated approach with Local Area Network (LAN) Members

Discussions with Audit Scotland and external audit has confirmed in relation to the LAN (refer 1.5.8 above for details) that Local Scrutiny Plans detailing planned LAN scrutiny activity across the Council (based on a shared risk assessment undertaken by LAN members) will no longer be prepared.

IA has engaged with individual LAN members to confirm that there is no obvious duplication between the 2020/21 IA annual plan and any planned LAN scrutiny reviews. We have also confirmed that there is no duplication with the scope of the Audit Scotland best value review that is currently in progress.

2. *Risk assessment – Steps 4 to 6*

2.1 *Risk assessment results*

In developing the annual plan, we have considered the PSIAS requirement to produce an annual Internal Audit Opinion by determining the necessary level of internal audit coverage to provide assurance over the Council's audit universe and key risks

Each original (inherent) risk associated with each of the Council's auditable areas has been assessed based on the impact and likelihood that the risk will crystallise, and the strength of the control environment which is based on completed IA reviews; the current open and overdue audit recommendations profile; and the outcomes of reviews performed by other second and third line assurance providers.

Original risk and control effectiveness have been scored by Internal Audit, and an audit requirement rating and frequency calculated in accordance with the detailed methodology set out in Appendices 1 and 2. The audit requirement rating drives the frequency of internal audit work for each auditable area. The audit plan is a rolling programme which aims to ensure that auditable units are subject to an internal audit at least once in a three-year cycle based on the highest risk auditable areas.

The IA risk assessment has also been compared to the CLT risk register that was presented to the GRBV in December 2019. Whilst the CLT risk register was refreshed in March 2020, this was not presented to the Governance, Risk, and Best Value Committee for review and scrutiny as the meeting was cancelled in response to the Covid-19 pandemic.

The impact of Covid-19 on the Council's Risk Profile

The Council's existing risk profile has changed significantly since December 2019 due to the impact of the Covid-19 pandemic and implementation of the Council's resilience response.

Details of new and emerging Covid-19 risks impacting the Council are recorded in the Covid-19 Risk Management Plan (RMP) that is maintained by the Corporate Risk Team and presented fortnightly to the Council's Incident Management Team (CIMT) for review and scrutiny. The RMP includes details of nine new Covid-19 strategic risks that are supported by a range of underlying sub risks, together with details of their original (inherent) risk assessments; mitigating actions that have either been implemented, or are in progress; and an assessment of their current (residual) risk assessment.

Details of the original and current risk assessments for the nine strategic Covid-19 risks included in the RMP have also been presented to both the Council's Policy and Sustainability, and Governance, Risk, and Best Value Committees for review and scrutiny.

The risk assessment included below has been updated to reflect the impact of Covid-19 and any relevant strategic risks included in the Covid-19 RMP for each auditable Council area.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
Key to audit requirement rating: ● Annual; ● Every 2 years; ● Every three years; ● No assurance work required									
Central Support Service Areas									
A	**Resources**								
A.1	Digital Services	5	3	●	1	Y	Y	Y	**Original Risk Assessment (March 2020)** Original risk assessment remains aligned with 2019/20, with an improvement in control design indicators from 2 to 3 reflecting improvements in the design and effectiveness of controls (for example ongoing vulnerability scanning and remediation of defects) and effective implementation of IA findings. Security risk is also included as a red (original) and amber (current) risk in the December 2019 CLT risk register within the information and data risk. **Covid-19 impact** – There has been an increased dependency on the Council's network security and technology resilience arrangements, together with implementation of new ways of working (for example, use of personal devices) to support increased levels of remote employee network access and home working arrangements. These impacts are covered by the strategic Technology and Information risk included in the Covid-19 RMP **2020/21 coverage** - Further Digital Services coverage is included in the 2020/21 IA annual plan and external audit (Scott Moncrieff) will

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									also provide assurance in relation to key technology controls in relation to financial systems.
									These impacts are covered by the Technology and Information risk included in the Covid-19 RMP.
A.2	Customer Services	5	4	🔴	1	Y	Y	Y	**Original Risk Assessment (March 2020)**
									Original risk rating reflects that Customer Services is the key point of contact for citizens requesting services; highlighting emergencies; or making complaints.
									The control effectiveness rating has been increased from 3 to 4, reflecting the outcomes of audits completed in 2019/20.
									Covid-19 impact – increased dependency on Customer Services as a key point of contact for customers during Covid-19, particularly in relation to implementation of shielding and vulnerable customer arrangements; and implementation of processes to support award of Covid-19 grant funding (for example, the small business grants process) This involved immediate implementation of a range of new processes and systems, for example tailoring the Verint customer engagement system to support shielding and vulnerable customer arrangements.
									Additionally, the majority of customer services teams transitioned to work from home.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									These impacts are covered by the Technology and Information and Health and Safety of Citizens and Service Users strategic risks included in the Covid-19 RMP. **2020/21 coverage** - Further customer services coverage is included in the 2020/21 annual plan with further assurance provided through the ongoing IA follow-up process.
A.3	Business Support	5	3	●	1	Y	Y	Y	**Original Risk Assessment (March 2020)** Original risk rating reflects the support provided by Business Support to enable service delivery across the Council. The control effectiveness rating has been increased from 2 to 3 reflecting the outcomes of IA reviews performed in 2019/20 and progress with implementation of agreed management actions. **Covid-19 impact –** the majority of business support teams transitioned to working from home, whilst providing ongoing support for services where possible. **2020/21 coverage -** Whilst no specific Business Support audits are included in the 2020/21 IA annual plan, assurance will be provided through the ongoing IA follow-up process.
A.4	Corporate Health and Safety management	5	2	●	1	Y	N	Y	**Original Risk Assessment (March 2020)** Original risk assessment rating has not changed in comparison to 2019/20, however control effectiveness rating has been changed from 3 to 2 reflecting current resourcing and capacity challenges.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									Health and safety is also included as a red (original) and red (current) risk in the December 2019 CLT risk register.
									Covid-19 impact – significant impact on the Corporate Health and Safety team who supported establishment of centralised Personal Protective Equipment (PPE) procurement and allocation process; established revised RIDDOR (Reporting of Injuries, Diseases, and Dangerous Occurrences Regulations) reporting requirements; has developed and implemented of guidance and risk assessments; is supporting an internal advice helpline; and is involved in assessing the risks associated with service resumption and access requests.
									These impacts are included in the Health and Safety of Citizens and Service Users and the Health and availability of employees to deliver critical services strategic risks included in the Covid-19 RMP.
									2020/21 coverage – assurance will be provided through the additional Covid-19 audits included in the 2020/21 annual plan and follow-up on the findings raised in the Life Safety audit completed in 2019/20.
A.5	Risk Management	5	2	●	1	Y	Y	N	**Original Risk Assessment (March 2020)** Original risk assessment has increased to 5 reflecting current resourcing and capacity challenges combined with the planned implementation of changes to the remit of the second line risk management team.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									Covid-19 impact – design and implementation of the Council's risk management response. **2020/21 coverage -** Audit assurance in 2020/21 will focus on follow up of any findings resulting from the Risk Management performed by Scott Moncrieff in 2019/20.
A.6	HR and Payroll	5	2	●	1	Y	Y	Y	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact –** payrolls now being run remotely, and increased focus on employee wellbeing following implementation of working from home arrangements. These impacts are reflected in the Health and availability of employees to deliver critical services strategic risk included in the Covid-19 RMP. **2020/21 coverage -** An Employee Lifecycle Data and Compensation and Benefits Processes audit has been included in the 2020/21 IA annual and will support external audit assurance provided by Scott Moncrieff in relation to payroll controls
A.7	Finance and Treasury	5	3	●	1	Y	Y	Y	**Original Risk Assessment (March 2020)** No change in the risk assessment outcomes in comparison to 2019/20. This assessment reflects the ongoing financial pressures across the Council and the increase use of modelling to support significant projects.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									A medium term financial planning risk is also included in the December 2019 CLT risk register with a red (original) and amber (current) rating.
									Covid-19 impact – significant impact on the Council's financial position given the increased costs associated with Covid-19, and lack of clarity as to whether these will be recovered; the impact of Arm's Length External Organisations on the Council's financial position (receipt of dividend income and future funding streams); and the ability to deliver a future balanced budget.
									These impacts are reflected in the Financial and Economic strategic risk included in the Covid-19 RMP.
									2020/21 coverage - assurance will be provided through the additional Covid-19 audits included in the 2020/21 annual plan that will confirm that additional Covid-19 costs have been completely and accurately recorded.
									Assurance in relation to findings raised in 2019/20 audits will also be provided through the ongoing IA follow-up process
A.8	Procurement	4	3	🟡	2	Y	Y	Y	**Original Risk Assessment (March 2020)** No change in the risk assessment in comparison to 2019/20 reflecting the outcomes of IA work performed in 2018/19 and the outcomes of the Audit Scotland Procurement Fraud audit. **Covid-19 impact** – significant impact on the Commercial and Procurement team who established the centralised personal

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									protective equipment (PPE) procurement and allocation process; implemented new supplier relief processes; and are also supporting the Council with preparation for a potential 'no deal' Brexit outcome. These impacts are reflected in the strategic supply chain risk included in the Covid-19 RMP. **2020/21 coverage -** assurance will be provided through the additional Covid-19 audits included in the 2020/21 annual plan and through the ongoing IA follow-up process to confirm that the findings raised in the 2019/20 Brexit audit have been effectively implemented.
A.9	Investment and Pensions (Lothian Pension Fund)	5	3	🔴	1	Y	Y	Y	**Original Risk Assessment (March 2020)** No change to the risk assessment in comparison to 2019/20 reflecting the significant value of funds managed (circa £7bn) and the extent of reliance on key third party system providers to support LPF operations. External audit is performed by Scott Moncrieff, and regulatory compliance reviews are also performed by external consultants.
A.10	Insurance Services	2	3	🟢	0	N	N	N	**Original Risk Assessment (March 2020)** There has been no change in this risk assessment in comparison to 2019/20 and Insurance Services continues to be assessed as low risk with no IA coverage required.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									Covid-19 impact – the assessment noted above has not changed in relation to Covid-19.
A.11	Properties and Facilities Management	5	3	●	1	Y	Y	Y	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. Management of property assets is also included as a red (original and amber (current) risk in the December 2019 CLT risk register. Whilst no specific audits are included in the 2020/21 annual plan, ongoing assurance in relation to findings raised in 2018/19 and 2019/20 will be provided through the ongoing IA follow-up process. **Covid-19 impact –** significant impact on Properties and Facilities Management given involvement in closing buildings; implementing enhanced cleaning and infection control arrangements; supporting the shielding and vulnerable groups response, and support for children of key workers (preparation of food parcels and meals); and confirming readiness for properties to support return of services (implementation of social distancing measures). These impacts are reflected in the Council premises and security strategic risk included in the Covid-19 RMP. **2020/21 coverage -** assurance will be provided through the additional Covid-19 audits included in the 2020/21 annual plan and through the ongoing IA follow-up process to confirm that findings raised in the 2019/20 Life Safety audit and other open IA findings are effectively implemented. An audit has also been included in the

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									20/21 plan to confirm that the recommendations included in the external asbestos consultancy review have been implemented.
B	**Strategy and Communications**								
B.1	Information Governance	5	3	●	1	N	N	Y	**Original Risk Assessment (March 2020)** Control Effectiveness rating has decreased from 4 to 3 reflecting current resourcing and operational capacity challenges across the team. Information and data is included as a red (original) and amber (current) risk in the December 2019 CLT risk register. **Covid-19 impact –** support provided in relation to the data privacy aspects of new and amended Covid-19 processes implemented across the Council. These impacts are reflected in the strategic technology and information risk included in the Covid-19 RMP. **2020/21 coverage –** no specific coverage of the Information Governance team planned, however, the additional Covid-19 audits included in 2020/21 annual plan will consider whether data has been consistently and effectively managed in line with applicable regulations.
B.2	Resilience	5	2	●	1	Y	N	Y	**Original Risk Assessment (March 2020)**

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									There has been no change in the original or residual risk assessment in comparison to 2019/20.
									Whilst no specific audits are included in the 2020/21 annual plan, assurance in relation to findings raised in 2018/19 Resilience audit will be provided through the ongoing IA follow-up process.
									The risks associated with the Council's response to a major incident is included as a red (original) and amber (current) risk in the December 2019 CLT risk register.
									A Brexit risk is also included in the CLT risk register with a red (original) and amber (current) rating.
									Covid-19 impact – significant impact on the Corporate Resilience team in terms of supporting implementation of the Council's Covid-19 resilience response; considering the potential impact of future and concurrent resilience activities; and ensuring that lessons learned have been considered; documented and applied where appropriate.
									These impacts are reflected in the strategic Council response and governance risk included in the Covid-19 RMP.
									2020/21 coverage - Whilst no specific resilience audits are included in the 2020/21 annual plan, the additional Covid-19 audits will consider the effectiveness of the Council's resilience response, and a the Covid-19 Lessons Learned audit will confirm whether resilience lessons learned have been identified and applied to subsequent resilience events. Assurance in relation to findings

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									raised in 2018/19 resilience audit will be provided through the ongoing IA follow-up process.
B.3	Democracy, Committee Services, and Corporate Governance	4	2	🟡	2	Y	Y	N	**Original Risk Assessment (March 2020)** Original risk assessment has been increased from 2 to 4 reflecting ownership of the Council's policy management framework and coordination and production of the Council's annual governance statements. The control effectiveness rating has also decreased from 3 to 2 reflecting the outcomes of audits completed in 2019/20. **Covid-19 impact –** significant impact as Council governance and committee arrangements were paused and an emergency decision making process implemented. Where executive committee meetings were held, these were also performed remotely via video conference. These impacts are reflected in the Council Response and Governance risk included in the Covid-19 RMP. **2020/21 coverage –** revised governance arrangements will be considered as part of the Covid-19 Lessons Learned audit included in the 20/21 annual plan, with assurance in relation to findings raised in 2019/20 provided through the ongoing IA follow-up process.
B.4	Strategic Change and Delivery / Business Change	5	4	🔴	1	Y	Y	Y	**Original Risk Assessment (March 2020)**

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									Risk assessment remains unchanged from 2019/20 reflecting the significant volume of major projects to be delivered across the Council.
									Programme and project delivery is also included as a red (original) and amber (current) rated risk in the December 2019 CLT risk register.
									Covid-19 impact – significant impact with the implementation of the Council's Adaptation and Renewal Programme to support the Council's recovery from the Covid-19 pandemic and the future adaptation and renewal of both Council services and the city.
									These risks will be reflected in the Adaptation and Renewal Programme risk register that is currently being prepared, and also the CLT risk register.
									2020/21 coverage - this risk will be covered in 2020/21 by the planned Adaptation and Renewal Programme Governance audit and ongoing agile audit reviews of two major projects.
B.5	Strategy and Business Planning	4	3	🟠	2	Y	N	N	**Original Risk Assessment (March 2020)**
									Risk assessment remains unchanged from 2019/20. The December 2019 CLT risk register includes a sustainability and climate change risk that is assessed as a red (original) and amber (current) rating.
									Covid-19 impact – Significant impact as Council will require to refresh its business plan as a result of Covid-19. This will be

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									delivered by the Adaptation and Renewal Programme, and will set out the clear direction and strategic priorities for the organisation. These risks will be reflected in the Adaptation and Renewal Programme risk register that is currently being prepared, and also the CLT risk register. **2020/21 coverage -** Coverage will be provided in 2020/21 through the planned audit of development and implementation of the Council's carbon neutral / climate change strategy, and the Adaptation and Renewal Programme Governance audit.
B.6	Locality, Partnership, and Community Empowerment	4	3	🟡	2	Y	Y	N	**Original Risk Assessment (March 2020)** Original risk assessment has been increased to better reflect the responsibilities for delivery of services through the localities models. **Covid-19 impact –** significant impact with the majority of locality offices closed and the transition to implementation of Council Resilience Centres for Place Localities, and Command Centres for the Health and Social Care Partnership. These impacts are reflected in the Strategic Health and Safety of Citizens and Service Users, and Health and Availability of Employees to Deliver Critical Services risks included in the Covid-19 RMP. **2020/21 coverage –** assurance will be provided through ongoing follow-up of the Place Localities audit completed in 2018/19 and the Health and Social Care Localities Audit completed in 2019/20.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
B.7	Insight and Engagement	3	3	🟡	3	N	N	N	**Original Risk Assessment (March 2020)** The risk assessment has not changed in comparison to 2019/20. A risk on the public response to political decisions is also included in the December 2019 CLT risk register with an amber (original) and green (current) rating **Covid-19 impact –** completion of employee wellbeing surveys. This impact is reflected in the strategic health and availability of employees to deliver critical services risk included in the Covid-19 RMP. **2020/21 coverage –** no specific audit coverage planned in this area as IA will direct effort towards higher risk areas. The Covid-19 Lessons Learned audit will consider whether the outcomes of employee wellbeing surveys have been considered and incorporated in relation to ongoing employee working arrangements.
B.8	Performance and Business Analytics / Data Services	5	3	🔴	1	Y	N	Y	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to prior year. **Covid-19 impact –** significant impact as this team was involved in providing a Covid-19 management information dashboard to the Council's Incident Management Team to support ongoing decision making, and preparing coordinated returns that were provided to the Scottish Government and COSLA.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									These impacts are reflected in the Council Response and Governance strategic risk included in the Covid-19 RMP. **2020/21 coverage** - an audit of Provision of Covid-19 data and returns to the Scottish Government has been included in the 2020/21 plan.
B.9	Committee Services	2	3	🟢	0	Y	N	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact –** the main challenge for Committee Services was supporting the transition to emergency decisioning and governance arrangements; supporting the phased reinstatement of Committees; and transitioning to supporting committee meetings by video conference. These impacts are reflected in the Council Response and Governance strategic risk included in the Covid-19 RMP. **2020/21 coverage -** whilst there are no specific audits of Committee Services included in the 20/21 annual plan, the proposed audit of GRBV Committee Effectiveness and the Covid-19 Lessons Learned review will cover aspects of this area.
B.10	Communications	3	3	🟡	3	Y	Y	N	**Original Risk Assessment (March 2020)** No change to risk assessment in comparison to 2019/20.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									A risk in relation to the public response to political decisions is also included in the CLT risk register with a red (original) and amber (current) rating. **Covid-19 impact –** significant impact as the Communications team was involved in ensuring effective communication with citizens in relation to decisions taken as the Council implemented its resilience response, and is now re-establishing services. These impacts are reflected in the Council Response and Governance strategic risk included in the Covid-19 RMP. **2020/21 coverage –** no additional coverage is planned. Assurance will be provided through ongoing follow-up to confirm that the findings raised in the Social Media audit completed in 2019.20 have been effectively implemented.
Citizen Support Service Areas									
C	**Communities and Families**								
C.1	Children's Social Work	5	3	🔴	1	Y	Y	Y	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact** – the main impact of Covid-19 was the transition to remote delivery of services, and impact on workload as Court cases were delayed. Contingent workforce arrangements were

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									established to ensure ongoing workforce capacity in the event of increased levels of absence.
									These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and Availability of Employees to Deliver Critical Services strategic risks included in the Covid-19 RMP.
									2020/21 coverage - assurance in 2020/21 will be provided through the planned review of the Chief Social Work Officer's assurance and annual report.
									Additional assurance will also be provided through the ongoing follow-up on the findings raised in the 2018/19 audit of the second line Quality, Governance, and Regulation team; and the 2019/20 Prevention Services and PVG and Disclosures audit.
C.2	Children with Disability	4	3	🟡	2	N	N	N	**Original Risk Assessment (March 2020)**
									Risk assessment has not changed in comparison to 2019/20.
									Covid-19 impact – the main impact of Covid-19 was the cessation of some services and transition to remote delivery of services (where possible). Contingent workforce arrangements were established to ensure ongoing workforce capacity in the event of increased levels of absence.
									These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of Employees to

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									Deliver Critical Services strategic risks included in the Covid-19 RMP. **2020/21 coverage -** whilst no specific audits are planned in this area, assurance will be provided through the ongoing follow up of any findings raised in the 2019/20 PVG and Disclosures audit.
C.3	Special Schools and Additional Support for Learning	4	3	🟡	2	Y	N	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact –** the main impact of Covid-19 was the cessation of some services and transition to remote delivery of services (where possible). Contingent workforce arrangements were established to ensure ongoing workforce capacity in the event of increased levels of absence. These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and Availability of Employees to deliver Critical Services strategic risks included in the Covid-19 RMP. **2020/21 coverage –** assurance will be provided by completion of the Managing Violent and Aggressive Behaviour audits included in the 20/21 plan and ongoing follow up of any relevant findings raised in the 2019/20 PVG and Disclosures audit.
C.4	Looked After Children	4	3	🟡	2	Y	Y	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									Covid-19 impact – the main impact of Covid-19 was the potential impact of infection and workforce availability. Contingent workforce arrangements were established to ensure ongoing workforce capacity in the event of increased levels of absence. These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of employees to deliver critical services strategic risks included in the Covid-19 RMP. **2020/21 coverage -** assurance will be provided by completion of the Managing Violent and Aggressive Behaviour audits included in the 20/21 plan and ongoing follow up of any relevant findings raised in the 2019/20 PVG and Disclosures and Retention of Social Work Case Records (Looked After and Accommodated Children) audits.
C.5	Capital Projects and School Estate Planning	3	3	🟡	3	N	Y	Y	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact –** the main impact of Covid-19 was the cessation of all capital projects and their subsequent reinstatement with enhanced social distancing measures. These impacts are reflected in the Supply chain risk; Financial and economic risk; and Legal and Commercial Risk strategic risks included in the Covid-19 RMP. **2020/21 coverage -** whilst no specific audits are planned in this area for 2020/21, ongoing assurance will be provided through

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									ongoing follow-up of relevant findings raised in the 2019/20 Governance of First Line Projects outwith the Major Projects Portfolio audit.
C.6	Statutory Consultation and Catchment Reviews	3	2	●	3	N	Y	N	**Original Risk Assessment (March 2020)** Control effectiveness assessment has reduced from 3 to 2 reflecting the outcomes of the 2019/20 Schools Admissions and Inclusion audit. **Covid-19 impact -** the main impact of Covid-19 was the transition to remote work to support completion of these processes. **2020/21 coverage-** whilst no specific audits are planned in this area for 2020/21, ongoing assurance will be provided through ongoing follow-up of relevant findings raised in this 2019/20 review.
C.7	Client Management and Home to School Transport	3	3	●	3	N	Y	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact –** the main impact of Covid-19 was the cessation of these services and their subsequent reinstatement with enhanced infection protection and social distancing measures. These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of employees to deliver critical services strategic risks included in the Covid-19 RMP.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									2020/21 coverage - assurance will be provided through the additional Covid-19 audits included in 2020/21 plan with ongoing assurance provided through follow-up of relevant findings raised in 2019/20 PVG and Disclosures audit.
C.8	Early Years and Childcare	4	3	🟡	2	Y	N	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact –** the main impact of Covid-19 was the cessation of these services and their subsequent reinstatement with enhanced infection protection and social distancing measures. These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and Availability of Employees to Deliver Critical Services strategic risks included in the Covid-19 RMP. **2020/21 coverage -** assurance will be provided through the additional Covid-19 audits included in 2020/21 plan with ongoing assurance provided through follow-up of relevant findings raised in 2019/20 PVG and Disclosures audit.
C.9	Schools and Lifelong Learning	5	2	🔴	1	Y	Y	N	**Original Risk Assessment (March 2020)** Control effectiveness rating has been reduced from 3 to 2 reflecting the outcomes of the 2019/20 Schools Admissions and Inclusion and Protection of Vulnerable Groups and Disclosures audits.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									Covid-19 impact – the main impact of Covid-19 was the cancellation of exams and allocation of grades in line with Scottish Qualifications Authority guidance; closure and their subsequent reopening with enhanced infection protection and social distancing measures; and provision of care for children of key workers. **2020/21 coverage -** assurance will be provided through the additional Covid-19 audits included in 2020/21 plan; the Covid-19 Lessons Learned audit; the Public and Private Partnership (PPP) and Private Finance Initiative (PFI) Contract Management audit; the Learning and Teaching Technology Network Management audit; and ongoing follow-up of relevant findings raised in 2019/20 PVG and Disclosures audit.
C.10	Quality, Improvement, and Curriculum	3	3	🟡	3	Y	N	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact –** the main impact of Covid-19 was the transition to remote learning arrangements during the lockdown period. **2020/21 coverage -** whilst no specific audits are included in the 2020/21 annual plan, this area will be covered by the Public and Private Partnership (PPP) and Private Finance Initiative (PFI) Contract Management audit. Education Scotland provides also additional assurance in this area and has not identified any significant concerns.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
C.11	Inclusion	3	3	🟡	3	N	Y	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact –** the main impact of Covid-19 was the transition to remote working arrangements. **2020/21 coverage -** ongoing assurance in 20/21 will be provided through ongoing follow up of relevant findings raised in the 2019/20 Schools Admissions and Inclusion audit.
C.12	Homelessness and Housing Support	5	3	🔴	1	Y	Y	Y	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20, and potential homelessness impacts are reflected in the Housebuilding Programme risk with a red (original) and amber (current) rating in the CLT December 2019 risk register. **Covid-19 impact –** significant impact as urgent additional arrangements were required to provide appropriate accommodation for homeless citizens that supported self-isolation (where required) and reduced the risk of infection spreading. This will be an ongoing area of focus in 2020/21 given reduced availability of 'move on' tenancies; implementation of the Scottish Government's unsuitable accommodation order; and addressing challenges such as homeless people with no recourse to public funds. These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of employees to

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									deliver critical services strategic risks included in the Covid-19 RMP. **2020/21 coverage -** assurance in 2020/21 will be provided through the Covid-19 Lessons Learned audit and ongoing follow-up of any relevant findings raised in the 2018/19 homelessness audit.
C.13	Community Justice	2	3	🟢	0	N	N	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact –** the main impact was the planned early release of prisoners to minimise spread of infection in prisons, where community justice support was required, together with the transition to home working. These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of employees to deliver critical services strategic risks included in the Covid-19 RMP. **2020/21 coverage -** no specific audits are planned in this area for 2020/21, as audit focus will be directed towards higher risk areas.
C.14	Quality, Governance, and Regulation	4	3	🟡	2	Y	N	Y	**Original Risk Assessment (March 2020)** **Covid-19 impact –** transition to home working and adapting processes and procedures to accommodate any service delivery changes implemented in response to Covid-19.

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Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									2020/21 coverage - whilst no specific audit work is planned in 2020/21, it is likely that this area will be included in the planned audit of the Chief Social Work Officer's assurance and annual report. Further assurance will be provided through ongoing follow-up of the remaining findings raised in the 2018/19 Quality, Governance, and Regulation audit.
D	**Health and Social Care – the service is included as a red (original) and amber (current) risk in the CLT risk register**								
D.1	Accommodation	5	2	🔴	1	Y	Y	Y	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact** was significant given focus on creating NHS capacity to support Covid-19. This resulted in implementation of the Home First / SafeHaven model to support ongoing assessment of demand and capacity. Personal protective equipment; infection control; and testing arrangements were also implemented to protect both residents and employees, and visiting arrangements stopped. Workforce planning arrangements were also implemented to ensure that there was sufficient workforce available from either Council employees or agency support to ensure ongoing delivery of care. Arrangements were also implemented to support the Councils oversight of private care homes in line with Scottish Government requirements.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									These impacts are reflected in the Health and Safety of Citizens and Service Users; the Health and Availability of Employees to Deliver Critical Services; Supply Chain; and Financial and Economic strategic risks included in the Covid-19 RMP. **2020/21 coverage -** assurance in 2020/21 will be provided through the additional Covid-19 audits included in 2020/21 plan; the Covid-19 Lessons Learned audit; and ongoing follow-up of the remaining findings raised in the 2016/17 Care Homes audit. Accommodation has also been covered in the joint Inspection of Services for Older People in the city of Edinburgh performed by the Care Inspectorate and Healthcare Improvement Scotland, with a number of findings raised in their May 2017 report. A subsequent progress review was also completed in December 2018.
D.2	Assessment, Support, Planning, and Review	5	2	●	1	Y	N	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact** was significant as focus was on hospital discharge timeframes and establishing urgent care arrangements, with a further impact on existing waiting lists and assessments. These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of Employees to Deliver Critical Services strategic risks included in the Covid-19 RMP.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									2020/21 coverage - this area is included in the scope of the planned Management of Waiting Lists and Assessments included in the 2020/21 annual plan.
D.3	Community Based Support	4	3	🟡	2	N	N	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact** was essentially cessation of all non-urgent services. **2020/21 coverage** - no audit coverage is planned for 2020/21.
D.4	Community Alarm and Telecare	4	3	🟡	2	N	Y	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact** involved the transition to working from home arrangements. **2020/21 coverage -** whilst no specific coverage is included in the 2020/21 annual plan, assurance will be provided through ongoing follow-up of the findings raised in the Emergency Prioritisation and Complaints (Telecare) audit completed in 2018/19.
D.5	Rights and Protection	5	3	🔴	1	Y	N	Y	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact** – the main challenge involved ensuring that an adequate and appropriately skilled and qualified and Protection of

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									Vulnerable Groups (PVG) certified workforce remained in place to support protection of adults and children at risk.
									These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of employees to deliver critical services strategic risks included in the Covid-19 RMP.
									2020/21 coverage the planned review of the Chief Social Work Officer's Assurance and Annual Report and the Covid-19 Lessons Learned audit will provide assurance in this area.
									Additional assurance is provided by internal second line assurance reviews performed by Quality, Governance, and Regulation, and Care Inspectorate reviews.
D.6	Sensory Support - Disabilities	2	3	🟢	0	N	N	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact –** the main impact was cessation of services. **2020/21 coverage -** no coverage is planned in 2020/21.
E	**Place**								
E.1	Waste and Cleansing	5	4	🟡	2	N	Y	Y	**Original Risk Assessment (March 2020)** The control effectiveness rating has been increased from 2 to 4 reflecting performance improvement and the positive outcomes of audits completed in 2019/20.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									Covid-19 impact – the main impact was cancellation and subsequent reintroduction of services with enhanced infection control and social distancing measures.
									These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of Employees to Deliver Critical Services strategic risks included in the Covid-19 RMP.
									2020/21 coverage - no audit coverage is planned for 2020/21 given extensive coverage in previous year plans.
E.2	Scientific, Bereavement and Registration Services	5	3	🔴	1	Y	Y	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact –** significant impact in terms of adequacy of mortuary capacity to support expected increase in death rate; implementation of changes to funeral services; increased focus on timeliness of death registrations to support Scottish Government statistics; cessation of marriage and birth registrations and their subsequent reinstatement; personal protective equipment and hand sanitisation testing support arrangements; establishing advice service to support application of safe working practices. These impacts are reflected in the Health and Safety of Citizens and Service Users; the Health and Availability of Employees to Deliver Critical Services; and Council Response and Governance strategic risks included in the Covid-19 RMP.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									2020/21 coverage - audits of Registration and Bereavement Services and Implementation of Asbestos Recommendations is included in the 2020/21 annual plan. Additional assurance will also be provided from follow-up of the findings raised in the 2019/20 Life Safety audit.
E.3	Edinburgh Roads Services	5	2	🔴	1	Y	Y	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact –** cessation of all significant repairs and capital works with focus on only urgent repairs, and implementation of the Spaces for People initiative to support social distancing and active travel across the city. These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of employees to deliver critical services strategic risks included in the Covid-19 RMP. **2020/21 coverage -** an audit of Spaces for People is included in the 2020/21 annual plan, and assurance will be provided through ongoing follow-up of the findings raised in the Roads Services Improvement Plan audit completed in 2018/19.
E.4	Fleet and Workshops	4	2	🟡	2	N	Y	Y	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									Covid-19 impact – reduced demand for Council fleet following cessation of a number of Council services during lockdown.
									2020/21 coverage - whilst no specific coverage is included in the 2020/21 annual plan, assurance will be provided through ongoing follow-up of the findings raised in the Completion of Driver Licence Checks Findings Only audit completed in 2019/20
E.5	Parks, Greenspace, and Cemeteries	3	3	🟡	3	N	Y	N	**Original Risk Assessment (March 2020)**
									Risk assessment has not changed in comparison to 2019/20.
									Covid-19 impact – parks and public spaces were initially closed during lockdown and subsequently reopened with implementation of social distancing measures in line with Scottish Government requirements; increased volumes of burial services were subject to social distancing rules.
									These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and Availability of Employees to Deliver Critical Services strategic risks included in the Covid-19 RMP.
									2020/21 coverage - whilst no specific coverage is included in the 2020/21 annual plan, assurance will be provided through ongoing follow-up of the findings raised in the Tree Management audit completed in 2019/20.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
E.6	Transport Infrastructure – street lighting, traffic signals, structures, and flood prevention.	5	4	🔴	1	N	Y	Y	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact –** main impact related to transition to working from home arrangements. **2020/21 coverage** – no specific audits are included in the 20/21 annual plan. Additionally, the Department for Transport has supported deferral of the annual Port Facility Security audit for one year, enabling IA to direct effort towards higher risk areas.
E.7	Culture	3	4	🟡	3	N	N	Y	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact –** the main impact has been closure of cultural venues and the associated loss of income and impact on employees. These impacts are reflected in the Health and Safety of Citizens and Service Users; and the Financial and Economic strategic risks included in the Covid-19 RMP. **2020/21 coverage** - no reviews are planned for 2020/21.
E.8	Transport Network – road safety; public transport; citywide networks and parking and traffic regulation	3	3	🟡	3	Y	N	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. A risk on public safety is also included in the CLT risk register with a red (original) and amber (current) rating.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									Covid-19 impact – reduced impact on team given reduced travel and transport during lockdown. Parking regulation activities were also significantly reduced. These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of Employees to Deliver Critical Services strategic risks included in the Covid-19 RMP. **2020/21 coverage** – an audit of Parking and Traffic Regulation has been included in the 2020/21 annual plan.
E.9	Citywide Transport and Planning	3	3	🟡	3	Y	N	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact-** limited impact in this area. **2020/21 coverage** - an audit of Active Travel Project Management and Delivery is included in the 2020/21 annual plan. This is also closely linked with the Spaces for People audit as this new programme (implemented in response to Covid-19) is delivering several planned Active Travel initiatives.
E.10	Planning and Building Standards	5	4	🔴	1	N	Y	Y	**Original Risk Assessment (March 2020)** No change to original risk reflecting the potential impact on Council revenues if the service was to suffer significant operational issues.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									Control effectiveness increased from 2 to 4 reflecting the significant amount of work undertaken and the outcomes of the 2019/20 follow-up work carried forward from 2018/19.
									Covid-19 impact – the service transitioned to working from home and also had to incorporate Scottish Government extended timeframes for completion of lanning requirements and building warrants into their processes.
									These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of employees to deliver critical services strategic risks included in the Covid-19 RMP.
									2020/21 coverage - no coverage is proposed in 2020/21, enabling IA to direct effort towards other risk areas. An independent assurance review of the Council's Planning service was also completed in 2019/20.
E.11	Sustainability	3	3	🟡	3	N	N	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact –** limited impact in this area. **2020/21 coverage** - no coverage is proposed in 2020/21, enabling IA to direct effort towards higher risk areas.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
E.12	Housing Management and Development	5	4	🔴	3	N	Y	Y	**Original Risk Assessment (March 2020)** Original risk assessment has increased from 3 to 5 reflecting the significant risks associated with housebuilding in the city. This is also included as red (original) and amber (current) risk in the CLT risk register. Control effectiveness has been increased from 3 to 4 reflecting the positive outcomes of the audit of the Development of the Strategic Housing Investment Plan completed in 2019/20, with no findings raised. **Covid-19 impact –** impact on delivery of affordable housing targets due to cessation of all capital projects and construction activities, and subsequent reinstatement with appropriate social distancing measures. These impacts are reflected in the Supply Chain; Financial and Economic; and Legal and Commercial Risk risks included in the Covid-19 RMP. **2020/21 coverage –** the Scottish Government has agreed that the annual audit of the Transfer of the Management of Development Funding can be deferred for one year, enabling IA to direct effort towards higher risk areas.
E.13	Regulatory Services	4	2	🟡	2	N	Y	N	**Original Risk Assessment (March 2020)** Control effectiveness rating has decreased from 3 to 2 reflecting the outcomes of the HMO Licencing audit completed in 2019/20.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									Covid-19 impact – significant impact with the extension of a number of licences (for example taxi licences) and associated loss if income. The service also had to transition to working from home where possible. These impacts are reflected in Financial and Economic; and Legal and Commercial Risk risks included in the Covid-19 RMP. **2020/21 coverage -** whilst no specific coverage is included in the 2020/21 annual plan, assurance will be provided through the Covid-19 Lessons Learned audit included in the 20/21 plan and ongoing follow-up of the findings raised in the HMO Licensing review.
E.14	Economic Development	3	3	🟡	3	N	N	N	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact –** limited immediate impact in this area, although support will be required to support Adaptation and Renewal Programme activities. **2020/21 coverage –** no specific audits are planned in this areas, enabling IA to direct effort towards higher risk areas.
E.15	Housing Property	4	3	🟠	2	N	Y	Y	**Original Risk Assessment (March 2020)** Risk assessment has not changed in comparison to 2019/20. **Covid-19 impact –** initial reduction on services with focus initially only on emergency repairs.

Ref	Auditable Area	Original Risk	Control Effectiveness	Audit Requirement Rating	Frequency	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Other Assurance / Notes
									These impacts are reflected in the Health and Safety of Citizens and Service Users; and Health and Availability of Employees to Deliver Critical Services risks included in the Covid-19 RMP. **2020/21 coverage –** no specific audits are planned in this areas, enabling IA to direct effort towards higher risk areas.

3. Annual Internal Audit plan – Step 7

3.1 Developing the IA annual plan

The next stage of the process following completion of the risk assessment is to build the annual IA plan, and figure 3 below illustrates how this is achieved.

Figure 3: IA annual planning process

Risk Assessment across the Audit Universe

(Less assurance already received and lower risk areas identified)

+
Ideas generated by Directorates/Divisions and Elected Members linked to risk, value for money and compliance

+ / -
IA resource requirements

=

2020/21
IA Plan

3.2 Internal Audit Resources

Available IA resources

As part of the annual planning process, the level of currently available IA resources, experience and skills was considered.

The overall capacity of currently projected available IA resources for 1 October 2020 to 31 March 2021 (excluding annual leave and public holidays) is 1,492 days. This includes an assumption that an auditor position that will become vacant at the end of September 2020 will not be filled until January 2021.

A total of 11 Covid-19 audits that were approved by the Governance, Risk and Best Value Committee in June 2020 are in progress, and it is expected that these audits will be completed by September 2020. Consequently, the time required to complete these Covid-19 audits has been excluded from the IA capacity calculation, and included in the plan summary detailed at section 3.3.1 below for completeness.

Allowing for potential sickness absence (2% of available days) and time reserved to support team training and personal development; performance management; ongoing enhancement of our audit system; and governance and committee reporting activities (circa 30% of available days) approximately 870 days are available to support delivery of the plan, which is proportionately aligned with IA capacity to deliver the 2019/20 plan.

The plan also includes circa 62 days contingency time which is the equivalent of 12 working weeks or 2 completed audits.

Co-source arrangements

A co-source arrangement is also in place with PwC, with the potential to use their services to support specialist audits where the required skills sets, or capacity are not available within the IA team.

Capacity to deliver the IA plan

Based on the IA capacity model, the current IA structure is adequately resourced to support delivery of the proposed audit plan (detailed at 3.5 below) which requires a total of 1,255 available days, as 385 days will be delivered either through our established co-source or other alternative arrangements, with the balance of 870 days delivered by the Council's IA team.

Corporate Leadership Team Risks not covered in the IA annual plan

It should be noted that the proposed 2020/21 audit plan does not cover the CLT risk in relation to the housebuilding programme (risk 5) that was assessed as a high original and medium current risk in the December 2019 CLT risk register.

This area was audited as part of the 2019/20 annual plan (Preparation of the Strategic Housing Investment Plan, and Management of Development Funding audits), with no significant issues identified.

Directorates/Divisions not included in the IA annual plan

Based on the IA risk assessment methodology, the following areas that were due for inclusion in the 2020/21 IA annual plan have not been included as available IA capacity has been focused on higher risk areas:

- Strategy and Communications - Information Governance
- Strategy and Communications - Insight and Engagement
- Communities and Families - Children with Disability
- Communities and Families - Community Based Support
- Place - Transport Infrastructure – street lighting, traffic signals, structures, and flood prevention.
- Place – Culture
- Place – Planning and Building Standards
- Place – Sustainability
- Place - Housing Management and Development
- Place - Economic Development

Some of these areas are included in a reserve list' of audits (refer Appendix 3), that have not been included in the plan. Where any planned audits cannot be completed (for example, a decision has been taken that a major project will not progress), the risks associated with the areas included on the reserve list will be considered and an alternative audit selected.

The reserve list also includes some of the audits that were not completed in 2019/20 due to Covid-19, and audits that were considered for inclusion in the proposed 2019/20 annual plan initially prepared in March 2020.

Additional resourcing challenges

Like all other teams within the Council, IA is required to ensure that it balances the requirements for both effectiveness and efficiency. This includes keeping resource levels under regular review. If any new or emerging resourcing challenges occur during the year, they will be discussed initially with the Head of Legal and Risk and the Executive Director of Resources; the CLT; and the Convenor of GRBV. If

resourcing issues remain unresolved following these discussions, the matter will be highlighted to a full GRBV Committee Meeting.

IA will have one vacancy at auditor level in the team at the end of September 2020. Recruitment is currently underway, and it is expected that the vacancy will be filled by January 2021 or possibly earlier.

3.3   Proposed Internal Audit Annual Plan 2019 – 20

3.3.1 Plan Summary

The internal audit plan detailed below reflects the key areas of IA focus for 2020/21 and is based upon the PSIAS; the Council's organisational objectives and priorities; and an assessment of the CLT risks that could prevent the Council from meeting those objectives and providing services to citizens. Each proposed review for 2020/21 has been cross referenced to the corresponding key CLT risks presented to GRBV in December 2019 and the strategic risks included in the Covid-19 Risk Management Plan.

Audits delivered across the Council

A total of 46 audits are included in the 2020/21 IA plan. Of these 37 will be delivered across the Council, with the balance of 9 reviews delivered to support arm's length external organisations.

A summary of proposed Council audit coverage in comparison to 2019/20 completed audits is detailed below. Please note that specific Directorate coverage will also increase as a result of Council wide and thematic reviews.

Directorate	2020/21 Planned Audits	2019/20 Completed Audits	Comments
Council Wide	12	8	Council wide audits will cover all major service areas of the Council. This increase is due to inclusion of a number of Council-wide Covid-19 audits.
Council Wide	1	1	Follow-up. This involves review of completion of all agreed management actions prior to closure across all areas of the Council
Major Project Reviews	3	4	Includes ongoing agile IA work on the Tram Extension and Enterprise Resource Planning Projects.
Resources	10	7	Increased coverage reflects a number of carried forward Digital Services audits from 2019/20 and addition of Covid-19 design assurance audits that are specific to the Resources directorate.
Chief Executive's Service / Strategy and Communications	1	2	Planned coverage is broadly aligned with the number of audits completed in 2019/20.
Communities and Families (including Safer and Stronger Communities)	4	2	Slight increase in coverage in comparison to audits completed in 2019/20. Additional coverage will also be provided planned by Council wide reviews.

Health and Social Care Partnership	2	2	No change in coverage in comparison to 2019/20. Additional coverage will also be provided planned by Council wide reviews.
Place	4	5	The two annual (low risk) reviews requested by the Department for Transport (Port Facility Security Plan) and the Scottish Government (Management of Development Funding) will not be completed in 2020/12 enable IA to focus on higher risk areas.
Totals	37	31	

Council wide reviews

The plan includes an increased number of Council-wide and multiple Service Area reviews that will cover all Council directorates and divisions. These have been included to provide assurance on the key controls established to manage the most significant risks associated with services and processes that span across the Council. This increase is due to inclusion of a number of new Council-wide Covid-19 audits.

It is important to note that no validation audit will be performed in 2019/20 to confirm that management actions implemented to support previously closed IA findings have been effectively implemented and sustained, as IA effort will be directed towards other higher risk areas.

Follow Up

A total of 250 days of audit effort (circa 29% of total available days) has been provided to support the follow up process for the remaining six months of the 2020/21 plan year. This remains broadly aligned with the proportion of days allocated to follow-up activity in 2019/20 (33%) and reflects that IA currently does not apply a 'risk based' follow up approach based on the need to further improve risk and control awareness and embed the risk and control culture across the Council, and the level of ongoing support provided to support divisions with their follow up activities. The potential to implement a risk based follow up approach will be reconsidered annually.

IA services provided to arm's length external organisations

A total of 9 audits will be delivered for arm's length and external organisations (ALEOs): 3 for the Lothian Pension Fund; 3 for the Edinburgh Integration Joint Board; and the remaining 3 comprising one audit each for the Lothian Valuation Joint Board; SEStran; and the Edinburgh Royal Military Tattoo.

Use of co source arrangements to support plan delivery

A total of 14 audits (including 3 for Lothian Pension Fund) will be delivered by external specialists, which remains aligned with the number of specialist reviews completed in 2019/20.

PwC will be requested to support delivery of 6 specialist digital services; 1 health and safety specialist audit; and 6 general audits; whilst external specialist support will be sourced to support the planned review of GRBV Committee effectiveness.

This leaves a balance of 32 audits (26 Council audits plus the remaining 6 ALEOs) to be delivered by the Council's IA team.

This approach will ensure that appropriate technology skills and experience is available to support the Digital Services audits and will also ensure that IA independence is appropriately maintained in relation to the Health and Safety and GRBV Committee Effectiveness Audits.

Training

A total of 5 days has been included in the plan to support delivery of ongoing training across the Council. This reflects delivery of one half day of training per quarter that will be open to all employees; and IA attendance at, and involvement in, new start and senior management induction training.

Quality Assurance

A total of 15 days has been included for internal IA quality assessment. The last external quality assessment (EQA) was performed in 2016/17, and the next will be completed in 2021/22, as per the five-year EQA cycle requirement specified in the PSIAS.

3.3.2 Coordinated and Integrated approach with External Audit; Audit Scotland; and Local Area Network Members

External Audit

As noted at section 1.5 above, a coordinated and integrated approach will be adopted with IA and Scott Moncrieff working together to deliver assurance on two reviews - the Tram extension project and the Enterprise Resource Planning (ERP) project.

A further 5 audits have been identified where Scott Moncrieff will endeavour to take account of the work performed by IA for their 2020/21 financial statements review. These are:

1. Employee Testing
2. Covid-19 Lessons Learner
3. Arm's Length External Organisations
4. Fraud and Serious Organised CrimePublic and Private Partnership (PPP) and Private Finance Initiative (PFI) Contract Management
5. Governance Risk and Best Value Committee Effectiveness
6. Development of the Council's Technology Strategy
7. Technology Resilience

3.3.3 Internal Audit Annual Plan 2020 – 21

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
*Audit reviews where timing is specifically aligned to enable external audit to work with or take account of IA reviews. Note that the CLT risks have been mapped to the CLT risk register that was presented at GRBV in November 2019.								
Council-Wide – 13 audits (including follow-up)								
All major Council Directorates and Divisions.	(1) Shielding and Vulnerable People Review of the design of shielding and vulnerable people processes established to support the Council's Covid-19 response and meet Scottish Government and Health Protection Scotland requirements and guidance.		✓			N/A	Covid-19 RMP Risk 1 CLT 2; 6	Medium
	(2) Supplier Relief Review of the design of the supplier relief process established to ensure that Covid-19 supplier support measures are implemented in line with applicable Scottish Government guidance.		✓			N/A	Covid-19 RMP Risk 5 CLT 2	High
	(3) Workforce Planning and Protection of Vulnerable Groups Review of the design of the onboarding processes (including Protection of Vulnerable Groups (PVG) checks) for new or repurposed employees joining the Council during the COVID-19 pandemic.		✓			N/A	Covid-19 RMP Risk 3 CLT 6	Low

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
	(4) Employee Testing Review of the design of employee testing arrangements to ensure that employees who display Covid-19 symptoms are tested to confirm whether they have contracted the virus, with appropriate guidance and support provided by management.		✓			N/A	Covid-19 RMP Risk 3 CLT 6	Medium
	(5) Social Distancing and Employee Protection Review of the hygiene; infection control; and social distancing processes (including completion of risk assessments) established to support the return of employees to Council buildings and reintroduction of Council services.				✓	30	Covid-19 RMP Risk 3 CLT 3; 6	Low
	(6) Covid-19 Lessons Learned Review of the lessons learned exercises performed across the Council to confirm that lessons learned from the Council's initial Covid-19 resilience response have been identified; recorded; and incorporated into subsequent resilience plans and activities.				✓	40	All Covid-19 RMP Risks CLT 6	Low
	(7) Arm's Length External Organisations (ALEOs) Review of the Council's oversight of ALEOs with focus on assurance provided to the Council in relation to their financial and service recovery plans. This review will also consider how ALEO recovery is reflected in the Council's revised financial plans.				✓	20	Covid-19 RMP Risk 7 CLT 2	High
	(8) * Fraud and Serious Organised Crime Review of the adequacy and effectiveness of the key controls established to mitigate the potential risk of fraud and serious organised crime across the Council.			✓		35	Covid-19 RMP Risk 8	High

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
	(9) Public and Private Partnership (PPP) and Private Finance Initiative (PFI) Contract Management Review of the adequacy and effectiveness of established supplier management and governance arrangements in relation to the Council's established infrastructure provision and managed schools and services contracts. This audit will also consider whether the Council has adequate assurance over Brexit readiness of these key suppliers as the UK moves through the transition period.			✓		30	Covid-19 RMP Risk 5 CLT 9	High
	(10) Development and Implementation of the Council's Carbon Neutral / Climate Change Strategy Review of the key project management and governance controls supporting the design and planned implementation of the Council's carbon neutral / climate change strategy.				✓	25	CLT10	Low
	(11) * Governance, Risk and Best Value (GRBV) Committee Effectiveness Review of the adequacy of the remit and effectiveness of the scrutiny provided by the GRBV committee. The review will focus on their responsibilities for scrutiny of risk management and internal and external audit arrangements in comparison to good practice applied by other local authorities and audit and assurance committees in other sectors.				✓	35	N/A	Low
	(12) * Health and Safety – Implementation of Asbestos Recommendations The review will assess whether the recommendations resulting from the external review of the adequacy and effectiveness of the Council's asbestos identification and management processes have been effectively implemented and sustained.				✓	35	CLT1; 3	Low

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
	(13) Follow Up Ongoing follow up across all directorates and service areas to confirm that agreed management actions have been effectively implemented and sustained to support closure of IA findings raised.			✓	✓	250	N/A	Low
Resources – 10 audits								
Customer and Digital Services	**(1) Self Employed Grants** Review of the design of the Newly Self-employed Hardship fund process to confirm that applications received are processed in line with Scottish Government guidance.		✓			N/A	Covid-19 RMP Risks 7 and 8	High
Customer and Digital Services	**(2) Support for Business Grants** Review of the design of the Support for Business Grants process to confirm that applications received are processed in line with Scottish Government guidance.		✓			N/A	Covid-19 RMP Risks 7 and 8	High
Customer and Digital Services	**(3) * Corporate Network Management – CGI** Review of effectiveness of management of the corporate network with focus on network performance (including flow of traffic between different data centres and systems); network resilience; application management; speed of hosted applications; and end to end customer experience. The audit will include review of technology data loss prevention controls applied by CGI that are designed to scan and identify suspicious outgoing e mails with attachments sent from Council e mail accounts that could potentially result in loss of data, and also physical security controls across Council operational properties.				✓	35	Covid-19 RMP Risk 6 CLT 8	Low

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
Customer and Digital Services	(4) * Project Management Supporting Change Implementation – CGI (b/f from 2019/20) Review of the adequacy and effectiveness of project management and governance controls established to support the implementation of changes following final approval of change requests by the Council and CGI.			✓		30	CLT 4	Medium
Customer and Digital Services	(5) Development of the Council's Technology Strategy Review of the adequacy and effectiveness of the processes and governance controls established to support development and communication of the Council's technology strategy.				✓	30	CLT4	Low
Customer and Digital Services	(6) Technology Resilience (c/f 2019/20) Review of the adequacy of technology resilience plans to ensure that critical systems and data can be restored within expected timeframes. The review will also consider the extent of resilience testing performed, and actions taken to address any areas for improvement that have been identified. This review will also focus on any lessons learned from the technology resilience response to the Covid-19 pandemic.				✓	25	Covid-19 RMP Risk 6 CLT 6; 8	Low
Customer and Digital Services	(7) Direct Access and Mobile Device Management (c/f 2019/20) The review will assess the design adequacy and operating effectiveness of the security controls established to manage web based direct access and connectivity via mobile devices to Council servers.				✓	25	Covid-19 RMP Risk 6 CLT 6; 8	High

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
Customer and Digital Services	(8) Council Tax and Business Rates Review of the design adequacy and operating effectiveness of the key controls established to support complete and accurate processing of Council tax and Business Rates transactions, including billing; payments; amendments and refunds. The audit will also consider the security controls supporting transfer of customer data between the Lothian Valuation Joint Board and the Council.			✓		35	N/A	High
Finance – Commercial and Procurement Services	(9) Purchase and Allocation of Personal Protective Equipment (PPE) Review of PPE procurement and allocation processes established to ensure that sufficient PPE of an appropriate quality is available to key Council employees during the Covid-19 pandemic. The review will consider the dynamic and rapidly changing environment in which PPE had to be sourced, including evolving public health guidance, the impact of lock-down on critical Council operations and the volatile PPE supply chain.		✓			N/A	Covid-19 RMP Risks 1; 5; and 7 CLT 2; 6	Medium
Human Resources	(10) * Employee Lifecycle Data and Compensation and Benefits Processes Review of the key controls established to ensure the completeness and accuracy of employee lifecycle data and payroll calculations; and the accuracy of reconciliations between the Council's payroll and general ledger. Data analytics will be used to analyse payroll data for the financial year 1 April 2019 to 31 March 2020.		✓			30	CLT 8	High
Strategy and Communications – 1 audit								

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
Strategy and Communications	(1) Covid-19 Data and Scottish Government Returns Review of the processes established to ensure that the Council submits all necessary Covid-19 data returns to the Scottish Government and the Convention of Scottish Local Authorities (COSLA) completely, accurately, securely and on time.		✓			N/A	Covid-19 RMP Risks 2 and 6 CLT 8	Low
Communities and Families – 4 audits								
Schools and Lifelong Learning	(1) Allocation of Estimated Scottish Qualifications Authority (SQA) Grades Review of the grade estimation process applied to ensure that accurate and fair estimates of grades and bands were provided for all national qualification pupils.		✓			N/A	Covid-19 RMP Risk 6 CLT 8	Medium
Schools and Lifelong Learning with support from Customer and Digital Services	(2) * Learning and Teaching Technology Network Management Review of the design and management (including management of devolved administration rights) of the Learning and Teaching technology network, with focus on allocation of roles and responsibilities between Communities and Families; Digital Services and CGI.				✓	35	CLT 6; 8	Medium
Chief Social Work Officer / Safer and Stronger Communities.	(3) Chief Social Work Officer's Assurance and Annual Report Review of the design and effectiveness of the assurance framework established to support the Council's CSWO with delivery of the statutory CSWO requirements specified by the Scottish Government. The audit will consider the scope of assurance (for example coverage of social care services provided to the Council by contracted third parties); how assurance outcomes are recorded and communicated across the Directorates; and incorporation of assurance outcomes into the annual CSWO reports provided to both the Council and the Edinburgh Integration Joint Board.				✓	25	CLT 7	Low

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
Special Schools and Additional Support for Learning	(4) Health and Safety - Managing Aggressive Behaviour (c/f 2019/20) Review of the training provided to employees to enable them to diffuse and manage aggressive behaviours exhibited by children with special needs. The review will consider the quality and frequency of the training provided; employee awareness of the requirements to report incidents and the incident reporting process; and actions taken to identify and address systemic recurring incidents.			✓		20	Covid-19 RMP Risk 3 CLT 1	Low
Health and Social Care – 2 audits								
Health and Social Care	(1) Health and Social Care Command Centre Review of the of key Command Centre processes to confirm that there was effective central management of health and social care services and risks during the initial stages of the COVID-19 pandemic, and that lessons learned will be identified and applied in either subsequent national or localised outbreaks, or other resilience activities. .		✓			N/A	Covid-19 RMP Risk 1 CLT 6; 7	Low
	(2) Management of Waiting Lists and Assessments Review will assess the adequacy, effectiveness, and consistency of first line operational control frameworks designed to manage adult social care waiting lists with focus on classification and prioritisation of urgent assessments, and completion of ongoing client needs assessments.			✓		40	CLT 7; 8	Medium
Place – 4 audits								

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
Place Management – Transport Infrastructure	(1) Spaces for People Review of the design of processes implemented by the Council to support prioritisation and decision making in relation to changes to public spaces to support effective social distancing across the city.		✓			N/A	Covid-19 RMP Risk 1 CLT 11; 12	Low
Place Management – Transport Infrastructure	(2) Parking and Traffic Regulation (c/f 2019/20) This review will consider the design and effectiveness of the processes and controls established to support enforcement of on street parking regulations; Greenways and bus lane restrictions; removal of incorrectly parked vehicles; and clamping of persistent evaders.			✓		20	CLT11	N/A
Scientific, Bereavement and Registration Services	(3) Registration and Bereavement Services (c/f 2019/20) This review will consider the design and effectiveness of the processes and controls established to support registration of births; marriages; and deaths in line with applicable legislative and regulatory requirements, with particular focus on new and amended registration processes implemented in response to the Covid-19 pandemic.			✓		20	Covid-19 RMP Risk 6 CLT 6; 8	Medium
Place Development	(4) Active Travel – Project Management and Delivery Review of the design and effectiveness of the key project management and governance controls established to support delivery of the active travel programme of infrastructure improvements, including use of temporary traffic regulation orders.			✓		20	CLT 4; 11; 12	Medium
Major Projects – 3 audits								

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
Place	(1) Tram extension Ongoing agile review of project governance; procurement; and gateway decisioning and payments. The audit will include ongoing assessment of the ongoing controls supporting the funding model. Project management will be assessed against published best practice from HM Treasury Green; Scottish Transport; the National Audit Office; and Audit Scotland. The review will also consider whether the lessons learned from the Tram Inquiry have been considered and applied.			✓	✓	40		Medium
Resources	(2) Enterprise Resource Planning System Implementation Ongoing agile review of the project management and governance arrangements supporting implementation of the enterprise resource planning system.			✓	✓	40	CLT 2; 4; 10	Medium
Council Wide	(3) Adaptation and Renewal Programme Governance Review of the design and effectiveness of the key governance and project management controls established to support delivery of the Council's programme of savings projects. The audit will include a review of project management controls across a sample of projects included in the programme.				✓	40		Low
Other Organisations – 9 audits								
LVJB	Lothian Valuation Joint Board - provision of internal audit services				✓	25	N/A	N/A
SEStran	SEStran - provision of internal audit services			✓		25	N/A	N/A

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
Royal Edinburgh Military Tattoo	Tattoo - provision of internal audit services				✓	25	N/A	N/A
Edinburgh Integration Joint Board	EIJB – provision of internal audit services				✓	25	N/A	N/A
				✓		25		
					✓	25		
Investment and Pensions – Lothian Pension Fund	Three planned reviews for Lothian Pension Fund (LPF)			✓		25	N/A	Medium
	The scope of these reviews has been agreed with LPF and will be included in the LPF annual audit plan to be presented to the Pensions Audit sub Committee and Pensions Audit Committee in March 2019.				✓	25		
				✓		25		
Miscellaneous – Internal Audit activities								
Internal Audit	Internal Audit Quality Assurance				✓	15	N/A	N/A
Internal Audit	Training			✓	✓	5	N/A	N/A
	Total audits and plan days for the Council				37 audits	1,010 audit days		
	Total audits and plan days for other organisations				9 audits	225 audit days		
	Total audits and plan days included in the 2020/21 annual plan				46 audits	1,235 audit days		
	Plan days on Internal Audit Quality Assurance and Training				2 activities	20 days		
	Total audits and plan days (including IA activities)				48 audits	1,255 audit days		

Appendix 1: Detailed methodology

1. Original risk assessment process

The internal audit plan should focus on the highest risk areas of the Council. Consequently, each auditable area is allocated an original risk rating (the numbers highlighted in white in the table below) that considers the impact of the risk should it crystallise, and the likelihood that the risk will crystallise. The criteria used to assess impact and likelihood are recorded in Appendix 2.

Impact Rating	Likelihood Rating				
	5	4	3	2	1
5	5	5	4	4	4
4	5	5	4	4	3
3	4	4	3	3	2
2	4	3	3	2	2
1	3	3	2	2	1

2. Control environment assessment

The strength of the control environment within each auditable area is assessed on a scale of 1 to 5 where 1 reflects a poor control environment and to 5 a strong control environment.

This is assessment is based on:

- Revisiting the outcomes from previous internal audits, including the current open and overdue IA recommendations position;
- Consultation with Senior Management; GRBV Committee members; and political groups.
- Considering the outcomes of the 2nd and 3rd line of defence oversight and assurance providers.

In assessing the strength of the control environment of auditable areas the following points are considered:

- The nature and magnitude of control gaps identified;
- Whether they are systemic or restricted to individual service areas and processes;
- The significance of the process impacted;
- The nature, urgency and robustness of management's response to any issues arising; and
- Whether there are any wider cultural implications.

3. Audit requirement rating

The original risk and the control environment ratings are then used to calculate the audit requirement rating. The formula ensures that audit work is focused on areas with high reliance on controls and high residual risk where controls may not be adequately designed and / or operating effectively.

Original Risk Rating	Control Design Indicator				
	1	2	3	4	5
5	🟥	🟥	🟥	🟥	🟧
4	🟥	🟧	🟧	🟧	🟨
3	🟧	🟨	🟨	🟨	🟩
2	🟨	🟩	🟩	🟩	🟩
1	🟩	🟩	🟩	🟩	🟩

4. Key to frequency of audit work

Audit Requirement Rating	Frequency
🔴	Annual
🟠	Every two years
🟡	Every three years
🟢	No assurance work required

Appendix 2 - Risk assessment criteria

Determination of Original Risk

We determine original risk as a function of the estimated **impact** and **likelihood** for each auditable unit within the audit universe as set out in the tables below.

Impact rating	Assessment rationale
5	Critical impact on operational performance; or Critical monetary or financial statement impact; or Critical breach in laws and regulations that could result in material fines or consequences; or Critical impact on the reputation/brand of the Council which could threaten its future viability.
4	Major impact on operational performance; or Major monetary or financial statement impact; or Major breach in laws and regulations resulting in significant fines and consequences; or Major impact on the reputation or brand of the Council.
3	Moderate impact on the Council's operational performance; or Moderate monetary or financial statement impact; or Moderate breach in laws and regulations with moderate consequences; or Moderate impact on the reputation of the Council.
2	Minor impact on the Council's operational performance; or Minor monetary or financial statement impact; or Minor breach in laws and regulations with limited consequences; or Minor impact on the reputation of the Council.
1	Insignificant impact on the Council's operational performance; or Insignificant monetary or financial statement impact; or Insignificant breach in laws and regulations with little consequence; or Insignificant impact on the reputation of the Council.

Likelihood rating	Assessment rationale
5	Has occurred or probable in the near future
4	Possible in the next 12 months
3	Possible in the medium term (2-5 years)
2	Possible in the longer term (5-10 years)
1	Unlikely in the foreseeable future

Appendix 3 – Reserve List of Audits for the IA Plan

Directorate	Division	Proposed Audit
Council Wide	All divisions	Freedom of Information - Included in March 2020 proposed plan
		Prevention Services - not completed in 2019/20 due to Covid-19
		Enhanced / Intensive Housing Benefit - not completed in 2019/20 due to Covid-19
		Internal Council Companies - not completed in 2019/20 due to Covid-19
		Management and Application of Standing Orders and Scheme of Delegations - Included in March 2020 proposed plan
		Significant Event Planning and Management and Public Safety - Included in March 2020 proposed plan
	Health and Social Care and Communities and Families	SWIFT Records Management and Information Sharing – Included in March 2020 proposed plan
Communities and Families	Schools and Lifelong Learning	Allocation of attainment gap funding
		Devolved Schools Governance and Oversight - Included in March 2020 proposed plan
	Criminal Justice	Criminal Justice Social Work - not completed in 2019/20 due to Covid-19
	Children's Services	Public Protection – Implementation of Lessons Learned - Included in March 2020 proposed plan
	Community Safety	Community policing
Resources	Finance	Banking and purchasing cards
		Payment Card Industry Data Security Standard Compliance (PCI DSS) - Included in March 2020 proposed plan
	Human Resources	Mandatory training
		Employee Management and Support - Included in March 2020 proposed plan
	Legal and Risk	Corporate Health and Safety - Included in March 2020 proposed plan

Directorate	Division	Proposed Audit
	Properties and Facilities Management	Repairs and Maintenance 19/20 - Included in March 2020 proposed plan
		Corporate Catering
	Customer and Digital Services	Customer Experience - not completed in 2019/20 due to Covid-19
	Customer and Digital Services	Website Management
Chief Executive's Office	Strategy and Communications	Citizen Engagement - Included in March 2020 proposed plan
		Performance Management Information - not completed in 2019/20 due to Covid-19
Place	Culture	Usher Hall ticketing system
	Place Management	Scientific Services – Laboratory Services - Included in March 2020 proposed plan
Health and Social Care	Health and Social Care	Complaints Management - Included in March 2020 proposed plan
		Patient Discharge Readiness and Management - Included in March 2020 proposed plan
		Care Homes Follow Up - not completed in 2019/20 due to Covid-19
Major Projects	All divisions	Management and Delivery of Savings Projects - Included in March 2020 proposed plan