



Internal Audit Plan 2023/2024

Committee Audit and Standards

Date of meeting 17 February 2023

Date of report 25 January 2023

Report by Chief Executive

1. Object of report

To seek committee approval for the Internal Audit plan 2023/2024.

2. Background

Public Sector Internal Audit Standards (PSIAS)

The Internal Audit plan for 2023/2024 has been prepared in accordance with the Public Sector Internal Audit Standards (PSIAS).

The Internal Audit plan for 2023/2024 has been developed using the assurance framework and a risk-based methodology following consultation with the Strategy Group on the Partnership's objectives and priorities, and in accordance with the Internal Audit Charter.

5-year Internal Audit plan coverage

By way of background, the Internal Audit plan coverage over the past 5 financial years is attached as Appendix 1.

3. Outline of proposals

Internal Audit plan 2023/2024

The Internal Audit plan for 2023/2024 provides the direction of travel and a framework for audit engagements in the forthcoming year. The plan is aligned to the Partnership's strategic objectives, the (local) code of corporate governance and assurance framework, whilst having scope to be responsive to change (see Appendix 2).

The risk-based plan and the scope of each engagement have been informed by:

- assurance framework;
- risk registers;
- Strategy Group consultation;
- external factors (i.e. government initiatives, intelligence, and networking).

Plan objectives

The main objective of the Internal Audit plan is to provide an agile assurance service that assesses the effectiveness and efficiency of the Partnership's systems for internal control. The plan will also include provision for consulting activities and fraud-related work.

Assurance engagements are an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes and to ensure operations are being conducted in accordance with external regulations, legislation, internal policies and procedures (e.g. financial, performance, compliance, system security engagements). Assurance levels are based upon findings and conclusions at an individual engagement level; which when collated on an annual basis, support SPT's view on systems for internal control.

Note: The assurance framework is mapped and updated on a regular basis.

Consulting activities are advisory in nature and relate to specific requests from senior management. They are intended to add value and improve governance, risk management and control processes without the internal auditor assuming management responsibility.

Fraud prevention initiatives: Managing the risk of fraud and corruption is the responsibility of management. Audit and Assurance assist management in the effective discharge of this responsibility. The Counter Fraud Strategy (including Anti-Fraud and Corruption Policy, Whistleblowing Policy and Financial Regulations relating to financial irregularity) outlines the Partnership's commitment to prevent, detect, investigate and report fraud. The annual Internal Audit plan includes provision for fraud-related work to support this strategy.

4. Conclusions

The Internal Audit plan 2023/2024 has been prepared in accordance with the Public Sector Internal Audit Standards (PSIAS) and the Internal Audit Charter.

5. Committee action

The committee is asked to consider and approve the Internal Audit plan for 2023/2024.

6. Consequences

Policy consequences	<i>In accordance with the Public Sector Internal Audit Standards 2017.</i>
Legal consequences	<i>In accordance with the Local Authority Accounts (Scotland) Regulations 2014.</i>
Financial consequences	<i>None.</i>
Personnel consequences	<i>None.</i>
Equalities consequences	<i>None.</i>
Risk consequences	<i>The implementation of agreed recommendations from assurance engagements mitigates risk.</i>

Climate Change, Adaptation
and Carbon consequences

None.

Name Neil Wylie

Name Valerie Davidson

Title **Director of Finance &
Corporate Support**

Title **Chief Executive**

For further information, please contact Iain McNicol, Audit and Assurance manager on 0141 333 3195.

Audit and Standards Committee 17 February 2023

Supplementary report – 5-year Internal Audit plan coverage

Risk area	Engagement title	Financial year				
		2018/2019	2019/2020	2020/2021	2021/2022	2022/2023 (to date)
Budget (Core Financial Systems)	Petty cash administration			✓		
	Banking charges	✓				
	Creditor payments and administration					✓
	Payroll	✓				
	Treasury Management	✓				
	Debtors		✓			
	Budgetary control				✓	
Fraud and Error (Prevention initiatives)	Credit and procurement cards				✓	
	Ticketing refund process					✓
	Procurement administration			✓		
	Use of pooled vehicles				✓	
	Procurement contract variations	✓				
	National Fraud Initiative (NFI) / Fraud awareness	✓	✓	✓	✓	✓
Governance	Assurance framework	✓	✓	✓	✓	✓
	Local code of corporate governance	✓	✓	✓	✓	✓
	Audit Scotland reports	✓	✓	✓	✓	✓
	Business continuity		✓	✓	✓	✓
	Carbon Reduction Commitment reporting	✓	✓			
	Public Bodies Climate Change Duties reporting	✓	✓	✓	✓	✓
	General Data Protection Regulations implementation			✓		
	Declaration of interest arrangements		✓			
	Equalities reporting			✓		
Information security (Digital engagements)	Digital change, file and back-up controls			✓		
	Electronic signatures				✓	
	Cyber resilience arrangements	✓	✓	✓	✓	
	Email administration				✓	
	Digital service providers	✓	✓	✓		
	Managed network security			✓		
	Mobile digital equipment					✓

Appendix 1

Risk area	Engagement title	Financial year				
		2018/2019	2019/2020	2020/2021	2021/2022	2022/2023 (to date)
Customer service	Contract audit of escalator and lift maintenance				✓	
	Complaints handling	✓				
	Contract audit of cleaning services		✓			
	Contract audit of corporate uniform replacement					✓
	Contract audit of waste management				✓	
	Contract audit of security arrangements	✓				
Concessionary Travel scheme	Strathclyde Concessionary Travel Scheme			✓		
Bus services	Stock count arrangements – bus infrastructure			✓	✓	✓
	Bus infrastructure outcomes			✓		
	Bus station data analytics	✓	✓	✓	✓	✓
	School Transport administration	✓				
	Bus station administration	✓				
	Community Transport grant awards		✓			
	Bus information systems		✓			
	Bus compliance and inspection			✓		
HR services	Recruitment administration				✓	
	Policy on Alcohol and drugs		✓			
	Training outcomes		✓			
Project delivery	Grant funded projects	✓				
	Smartcard administration			✓		
	Capital programme delivery			✓		
Subway	Stock count arrangements	✓	✓	✓	✓	✓
	Subway station data analytics	✓	✓	✓	✓	
	Subway station office equipment				✓	
	Subway overtime administration			✓		
Value for money	Advertising income	✓				
	VFM study of printing costs		✓			
	Asset management arrangements			✓		



**Strathclyde Partnership for Transport
Audit and Assurance
Internal Audit plan 2023/2024**

	<u>Days allocated</u>	<u>Sub-total days</u>	<u>Total plan days</u>
<u>Assurance engagements</u>			
Core Financial System – payroll payments and standing data	15		
Data Analytics – bus station facilities	10		
Data Analytics – Subway station offices	15		
Digital Controls – cloud-based product access and controls	10		
Contract Audit of Subway tunnel lining works	15		
Regularity Audit of climate change initiatives	10		
Regularity Audit of stock count arrangements	10		
Regularity Audit of bus administration and reporting systems transformation project	10		
Regularity Audit of the framework for supporting local bus services	15		
Systems review of capital programme delivery	15		
Contingency allocation	70		
Follow-up reviews	15	210 (60%)	
<u>Consulting activities</u>			
Audit Scotland reports	5		
Assurance framework	10		
Business continuity arrangements	10		
Business improvement initiatives	70		
Local code of corporate governance	10	105 (30%)	
<u>Fraud prevention and investigation</u>			
Fraud awareness and prevention initiatives including NFI	20	20 (5%)	
PSIAS compliance	15	15 (5%)	
Summary			350 (100%)