

Report to:	MSMTM
Report by:	HOCS - Helen Gardner-Swift
Meeting Date:	14 July 2022
Subject/ Title: (and VC no)	Internal Audit Policy 2022-23 Internal Audit Plan 2022-23 to 2024-25 VC172491
Attached Papers (title and VC no)	Internal Audit Policy 2022- 23 – draft VC172494 Internal Audit Plan 2022-23 to 2024-25 – draft VC172488

Purpose of report

1. This Committee Report (CR) seeks the approval of the Senior Management Team (SMT) to the draft Internal Audit Policy 2022-23 and the draft Internal Audit Plan 2022-23 to 2024-25.

Recommendation and actions

2. I recommended that the Commissioner and the SMT:
 - (i) approve the draft Internal Audit Policy (the IA Policy) 2022-23
 - (ii) approve the draft Internal Audit Plan 2022-23 to 2024-25 (the IA Plan)
 - (iii) approve the key document actions set out in paragraphs 19 and 20
 - (iv) agree the publication arrangements as set out in paragraph 23.

Executive summary

Update – internal audit activity

3. The IA Plan 2020-21 – 2022-23 (VC159021) sets out the following audits to be carried out by an appointed internal auditor and appropriate experts in 2021-22:

1	Subject	Governance arrangements	Priority
	Approach	Internal Auditor	Medium
	Purpose	Independent assurance that governance arrangements are appropriate and robust and are complied with	
2	Subject	Information Records and Management – Records Plan	Priority
	Approach	External assessment by the Keeper of the Records	High
	Purpose	Assess compliance with statutory requirements and best practice in records management and our Records Management Plan	
3	Subject	UK GDPR compliance	Priority
	Approach	Internal Auditor/external expert	High
	Purpose	UK GDPR/data protection – assurance that policy and procedures comply with statutory and regulatory requirements	

4. The following internal audit activity took place in 2021-22:
 - the review of the Commissioner's information and records management systems, including the review of the Commissioner's Records Management Plan (RMP) and an updated RMP was submitted to the Keeper of the Records (the Keeper) on 30 June 2021 and, in so doing, met our obligations under the Public Records (Scotland) Act 2011. To date, the Keeper has not been able to assess our RMP, has apologised for the delay in doing this and advised that their team is hoping to provide outstanding assessments over the next few months
 - the internal audit of governance and risk management arrangements took place in October 2021 (related CR is in VC165361)
 - the internal audit on UK GDPR/data protection compliance took place in February 2022 (related CR is in VC167401).

IA Policy 2022-23

5. The IA Policy recognises the importance of internal audit, which forms part of the scheme of control, as an essential element of managing risk and the policy is supported by the IA Plan.
6. The IA Policy requires the Commissioner, as Accountable Officer, to make provision for internal audit.
7. The IA Policy states that internal audits will be used to appraise internal controls and, also, to review governance arrangements and operational procedures. Provision is made for internal audits and reviews to be carried out by external providers. The roles and responsibilities of the relevant stakeholders are set out in the IA Policy.
8. The IA Policy 2022-23 will be submitted to the Advisory Audit Board (AAB) at the meeting, due to take place in November 2022.

The IA Plan 2022-23 to 2024-25

9. A three-year rolling plan is maintained and the plan is reviewed annually by the AAB. The IA Plan may change in response to changes in the risk, operating and resource environment.
10. The IA Plan provides for 3 internal audits to be carried out per year, either by the appointed internal auditor or by an appropriate expert (as relevant).
11. The IA Plan is based on an appropriate and robust assessment of internal audit requirements and takes account of relevant risk management issues.
12. The IA Plan will be submitted to the AAB, for review, at the meeting, due to take place in November 2022.

Risk impact

13. The risk of not having in place and monitoring effective and robust governance arrangements is mitigated by the maintenance and implementation of an internal audit plan and the engagement of an internal auditor or an appropriate expert to carry out the planned audits.

Equalities impact

14. No equalities impact arises directly from this report.

Privacy impact

15. No privacy impact arises directly from this report.

Resources impact

16. The internal audits to be carried out in each financial year are reflected within the annual Operational Plan so that the resources impact is taken into account.
17. The scheduling of internal audits in 2022-23 has been affected by the revision of the proposed external audit timetable. The external audit is now due to take place in Q2/Q3 and, taking account of the CST resource required for an internal audit, this will mean that only 2 internal audits will take place in 2022-23.

Operational/ strategic plan impact

18. The internal audits for each financial year take account of strategic risks and are reflected within the annual Operational Plan.

Records management impact (including any key documents actions)

19. Both the IA Policy 2022-23 and the IA Plan 2022-23 to 2024-25 will be key documents and, once approved, the Register of Key Documents and Guide to Information will be updated in accordance with our records management policies.
20. The Responsible Manager for each will be the Head of Corporate Services (HOCS) and each will be reviewed annually.

Consultation and Communication

21. The SMT have been consulted on the draft IA Policy 2022-23 and the IA Plan 2022-23 to 2024-25.
22. It is intended that the AAB will be consulted on the IA Policy 2022-23 and the IA Plan 2022-23 to 2024-25 at the meeting due to take place in November 2022 and any comments and/or suggested changes will be referred to the SMT for consideration.

Publication

23. The publication recommendations are as follows:
 - the CR should be published in full

- the additional column in the draft IA Plan 2022-23 to 2024-25 relating to the strategic objectives and strategic risks will not be published on the basis that this is exempt from disclosure under sections 30(b)(ii), s30(c) and s39(1) of FOISA
- the draft IA Policy 2022-23 and the draft IA Plan 2022-23 to 2024-25 should be withheld in full on the basis that they are each exempt from disclosure under section 27(1) of FOISA. This provision allows information to be withheld if it is held with a view to it being published within 12 weeks and it is reasonable in all the circumstances that the information be withheld from disclosure until then. In due course, the draft IA Policy 2022-23 and the IA Plan 2022-23 to 2024-25 will be put into a final form and published on our website within 12 weeks.