



Internal Audit Plan development for 2021/22

Corporate Priority:	All
Relevant Ward Member(s):	N/A
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No

1 Summary

- 1.1 To provide Members with an overview of the proposed Audit Planning process for 2021/22 and consult Members on risk areas for consideration in the development of the Audit Plan.

RECOMMENDATION(S)

That Committee:

1. Approves the proposed approach to developing the Audit Plan for 2021/22.
2. Highlight any risk areas where the Committee requires assurance during the year ahead.

2 Reason for Recommendations

- 2.1 To support and inform the development of the Internal Audit plan for 2021/22, in line with the Public Sector Internal Audit Standards.

3 Background

- 3.1 LGSS provides the Internal Audit service for Melton Borough Council and is commissioned to provide 235 audit days to deliver the annual Audit Plan.
- 3.2 In setting the annual Audit Plan, the Public Sector Internal Audit Standards require:
- a) The audit plan should be developed taking into account the organisation's risk management framework and based upon a risk assessment process undertaken with input from senior management and the Audit Committee;
 - b) The audit plan should be reviewed and approved by an effective and engaged Audit Committee to confirm that the plan addresses their assurance requirements for the year ahead; and
 - c) The Head of Internal Audit should consider accepting proposed consulting engagements based on the engagement's potential to improve management of risks, add value and improve the organisation's operations.

4 Main Considerations

- 4.1 In order to ensure that the Audit Plan for 2021/22 address the Council's key risks and adds value to the organisation, it is proposed that the Head of Internal Audit will identify and prioritise the areas for coverage by:
- a) Reviewing the Council's Risk Registers and Corporate Plan;
 - b) Analysing coverage of Internal Audit reviews over the last four years and the assurance opinions provided following each review, to identify any assurance gaps or areas where follow up work would be of value;
 - c) Identifying any other sources of assurance for each of the Council's key risks, which may reduce the added value of an Internal Audit review and where work could be aligned with other assurance providers;
 - d) Identifying any areas of the Audit Universe (a list of potential areas for audit review across the Council) which have not been subject to Internal Audit review during the last four years;
 - e) Consultation with the Audit and Standards Committee to discuss the planning process and areas where Members require assurances from Internal Audit during 2021/22; and
 - f) Meetings with each member of Senior Leadership Team to discuss key risks and emerging risk areas for the year ahead and any areas where Internal Audit support would be beneficial either in an assurance or consultancy role.
- 4.2 All potential audit coverage identified will be risk assessed and prioritised for inclusion in the Audit Plan, in consultation with Senior Management Team, based on risk, other sources of assurance available and potential value added from a review.
- 4.3 The resulting draft Internal Audit Plan will then be presented to the Audit and Standards Committee in March 2021 for review and formal approval.

5 Options Considered

- 5.1 The recommended approach is in line with the Public Sector Internal Audit Standards. Alternative approaches have not been considered at this time.

6 Consultation

- 6.1 The Audit and Standards Committee is being consulted on the development of the 2021/22 audit plan. Consultation with senior management will also take place as part of this process.

7 Next Steps – Implementation and Communication

- 7.1 The plan for 2021/22 will be developed in line with the agreed approach and a draft audit plan will be presented to the committee for approval in March 2021.

8 Financial Implications

- 8.1 There are no financial or other resource implications arising directly from this report. The audit plan will be developed based on the number of days commissioned on an annual basis.

Financial Implications reviewed by: Director for Corporate Services

9 Legal and Governance Implications

- 9.1 Internal Audit is a statutory requirement as required under the Accounts and Audit Regulations 2015 which state “A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”
- 9.2 Internal Audit also has an important role in supporting the Chief Finance Officer to discharge their statutory responsibilities under s151 Local Government Act 1972 – to ensure the proper administration of financial affairs and s114 Local Government Act 1988 – to ensure the Council’s expenditure is lawful.
- 9.3 The findings from assignments on the audit plan should inform the Council’s Annual Governance Statement and risk management processes.

Legal Implications reviewed by: Monitoring Officer – 03.12.20

10 Equality and Safeguarding Implications

- 10.1 There are no equalities or safeguarding implications arising directly from this report.

11 Community Safety Implications

- 11.1 There are no community safety implications arising directly from this report.

12 Environmental and Climate Change Implications

- 12.1 There are no environmental or climate change implications arising directly from this report.

13 Other Implications (where significant)

- 13.1 There are no other implications arising directly from this report.

14 Background Papers

- 14.1 Not applicable.

15 Appendices

15.1 None

Report Author:	Rachel Ashley-Caunt , LGSS Head of Internal Audit
Report Author Contact Details:	07824 537900 RAshley-Caunt@rutland.gov.uk
Chief Officer Responsible:	Dawn Garton , Director for Corporate Services
Chief Officer Contact Details:	01664 502444 DGarton@melton.gov.uk