



## Internal Audit Plan 2020/21

<b>Corporate Priority:</b>	Ensuring the right conditions to support delivery
<b>Relevant Ward Member(s):</b>	
<b>Date of consultation with Ward Member(s):</b>	Choose date
<b>Exempt Information:</b>	No

### 1 Summary

- 1.1 This report provides Members with a copy of the draft Internal Audit Plan for 2020/21 and the Internal Audit Charter for review and formal approval, in line with the requirements of the Public Sector Internal Audit Standards.

### 2 Recommendation(s)

That Audit and Standards Committee:

- 2.1 Review and approve the Internal Audit Plan for 2020/21;
- 2.2 Delegate authority to the Director for Corporate Services, in consultation with the Chair of the Audit and Standards Committee, to agree amendments to the Internal Audit Plan for 2020/21 during the financial year, if required;
- 2.3 Approve the Internal Audit Charter.

### 3 Main Considerations

#### Audit Plan 2020/21

- 3.1 In order to ensure that the Audit Plan for 2020/21 addresses the Council's key risks and adds value, the Head of Internal Audit has identified and prioritised the areas for coverage by:
- Reviewing the Council's Risk Registers and Corporate Strategy;

- 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;
- 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;
- 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;
- Discussion and consultation at the Audit and Standards Committee in November 2019 on the planning process and areas where Members require assurances from Internal Audit during 2020/21. Members were invited to refer potential risk areas for coverage to the Head of Internal Audit; and
- Meetings with members 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.

3.2 The process has also incorporated consideration of potential audits which can be undertaken by drawing upon similar emerging themes from the Councils across the LGSS client base.

3.3 Following this consultation and review, a Draft Internal Audit Plan has been compiled and is provided in Table 1 of Appendix A. Also provided, in Table 2 of Appendix A, is a reserve list of audit assignments which were considered for inclusion in the plan but, following consultation with management, it has been agreed that these are lower risk or would be of greater value in 2020/21. If the risk environment changes during 2020/21 the Audit Plan can be amended and these assignments can be re-assessed for possible coverage.

3.4 Appendix A to this report provides further detail on the development of the 2020/21 Audit Plan and a copy of the draft Internal Audit Plan.

3.5 To ensure that the Internal Audit activities are consistently focused upon the Council's key risks, the plan will remain subject to ongoing review by the Head of Internal Audit throughout the year and will be subject to regular consultation with senior management. To enable the Internal Audit team to be responsive and amend the planned activities to address any new or emerging risk areas as required, it is recommended that a mechanism be agreed to allow for changes to the Audit Plan between Audit and Standards Committee meetings. Any such amendments would be agreed by the Director for Corporate Services, in consultation with the Chair, and reported at the subsequent meeting of the committee.

### **Internal Audit and Charter Strategy**

3.6 The Public Sector Internal Audit Standards define the internal audit charter as 'a formal document that defines the internal audit activity's purpose, authority and responsibility. The internal audit charter establishes the internal audit activity's position within the organisation, including the nature of the chief audit executive's functional reporting relationship with the board; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities'.

- 3.7 Since 1st April 2017, the Council's Internal Audit service has been formally delegated to LGSS. As such, at that point the Head of Internal Audit reviewed the Internal Audit Charter and Strategy, and updated this to reflect best practice and the standard approach adopted across the LGSS client base. This was formally approved by the Committee in June 2017 and has since been subject to annual review, in line with best practice.
- 3.8 No amendments to the Charter and Strategy are proposed for 2020/21.

## **4 Consultation**

- 4.1 The Council's Senior Leadership Team and the Audit and Standards Committee have been consulted in the development of the audit plan.

## **5 Next Steps – Implementation and Communication**

- 5.1 The approved audit plan will form the schedule of work to be delivered by the Internal Audit service from 1st April 2020. The outcomes of the audit assignments will be reported to the Audit and Standards Committee during the financial year, as they are finalised.

## **6 Financial Implications**

- 6.1 There are no financial or other resource implications arising directly from this report. The proposed audit plan will be delivered within the number of days commissioned by the Council each year.

**Financial Implications reviewed by: S151 Officer**

## **7 Legal and Governance Implications**

- 7.1 There are no legal implications arising directly from this report.

**Legal Implications reviewed by: Monitoring Officer**

## **8 Equality and Safeguarding Implications**

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

## **9 Community Safety Implications**

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

## **10 Environmental and Climate Change Implications**

- 10.1 There are no environmental and climate change implications arising directly from this report.

## 11 Other Implications (where significant)

11.1 There are no other implications arising directly from this report.

## 12 Risk & Mitigation

12.1 If Internal Audit does not deliver a risk based Audit Plan with appropriate coverage of key risk areas the assurance that it can provide about the Council's control framework would be compromised.

## 13 Background Papers

13.1 Not applicable.

## 14 Appendices

14.1 Appendix 1: Draft Internal Audit Plan – 2020/21

14.2 Appendix 2: Internal Audit Charter & Strategy

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