

AUDIT AND RISK COMMITTEE

4th February 2020

INTERNAL AUDIT PLANNING 2020/21

Report of the Head of Internal Audit

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr G Brown, Deputy Leader and Portfolio Holder for Planning, Environment, Property and Finance.	
Contact Officer(s):	Rachel Ashley-Caunt, Head of Internal Audit	Tel: 07824 537900 rashley-caunt@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS

1. That Members note the initial areas highlighted for potential coverage in the Internal Audit Plan 2020/21 and advise on any areas where the committee seeks assurance from the Internal Audit team during the year ahead.
2. That Members approve delegation to the Strategic Director of Resources, in consultation with the Chair of the Audit and Risk Committee, to approve an interim 2020/21 Internal Audit plan ahead of formal approval by committee in April 2020.

1 PURPOSE OF THE REPORT

- 1.1 To advise Members on progress being made on developing the Internal Audit Plan for 2020/21 and some initial areas proposed for inclusion in the Plan, subject to risk assessing and prioritisation. To also invite Members to highlight any areas where they require assurance from the Internal Audit team during the next financial year.

2 BACKGROUND AND MAIN CONSIDERATIONS

2.1 Internal Audit Plan

The Internal Audit Plan sets out the assignments that will be delivered by the Internal Audit team during the financial year. In accordance with the Public Sector Internal Audit Standards (PSIAS), the Audit Plan should be risk based and developed with input from senior management and the Audit Committee.

- 2.2 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 is identifying and prioritising the areas for coverage by:
- Reviewing the Council's Risk Registers and Corporate Plan;
 - 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;
 - Analysing coverage of Internal Audit reviews over the last five years and the assurance opinions provided following each review, to identify any gaps or areas where follow up work would be of value;
 - Identifying any areas of the Audit Universe which have not been subject to Internal Audit review during the last four years; and
 - Seeking input from Senior Management on key risks and emerging risk areas for the year ahead and also any areas where Internal Audit support would be beneficial either in an assurance or consultancy role.
- 2.3 Following this process, a number of potential audit assignments have been identified and will be prioritised and refined based on risk and added value.
- 2.4 A list of areas highlighted during the planning process to date has been provided in Appendix A.
- 2.5 Members of the Audit and Risk Committee are invited to raise any areas where assurance from Internal Audit is sought during 2020/21 for inclusion and prioritisation in the development of the Audit Plan.
- 2.6 The draft Audit Plan will be presented to the Audit and Risk Committee in April 2020 for final refinement and formal approval. The Plan will then remain open to ongoing review and amendment throughout the financial year to respond to any changes in risk and emerging issues. To enable the Internal Audit team to commence work on the audit assignments on 1st April 2020, it is recommended that a delegation be given to the Council's Strategic Director and the Chair of the Audit and Risk Committee to approve an interim audit plan pending formal approval at the April meeting.

3 CONSULTATION

- 3.1 The Council's senior management are being consulted on the contents of the Audit Plan for 2020/21 and this report provides an opportunity for consultation with the Audit and Risk Committee. No public consultation is required.

4 ALTERNATIVE OPTIONS

- 4.1 The Committee could contact the Head of Internal Audit directly following the meeting with any further areas of assurance which may arise before March 2020 and these can be included in the audit planning process.

5 FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications arising from this report. The Audit Plan will be based upon the number of days commissioned by the Council on an annual basis.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1 The Audit and Risk Committee is responsible for oversight of the work of Internal Audit including approving the annual Audit Plan and satisfying itself that the plan provides assurance over the Council's control framework and key risks. It is also responsible for gaining assurance that internal audit is complying with internal audit standards.
- 6.2 There are no legal implications arising from this report.

7 DATA PROTECTION IMPLICATIONS

- 7.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no risks/issues to the rights and freedoms of natural persons.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 There are no equality implications.

9 COMMUNITY SAFETY IMPLICATIONS

- 9.1 There are no community safety implications.

10 HEALTH AND WELLBEING IMPLICATIONS

- 10.1 There are no health and wellbeing implications.

11 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 11.1 The Audit Plan for 2020/21 is being developed using a risk based approach, with input from senior management and the Audit and Risk Committee. The initial potential areas for coverage highlighted during the audit planning process to date will be refined and prioritised based on risk and value added. The draft Audit Plan will be presented to the Committee in March 2020 for final refinement and formal approval. The Plan will remain open to ongoing to review and amendment throughout the financial year to reflect and respond to changes in risks and emerging issues.

12 BACKGROUND PAPERS

- 12.1 There are no additional background papers to the report.

13 APPENDICES

13.1 Appendix A: Initial areas identified during Audit Planning 2020/21 to date

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