



TO: Audit & Governance Committee

FROM: Head of Audit & Assurance

DATE: 30 March 2021

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

TITLE OF REPORT Audit & Assurance Plan 2021/22 and Internal Audit Charter

1. PURPOSE

To inform Members of the planned Audit & Assurance work for the forthcoming year.

2. RECOMMENDATIONS

The Committee is asked to:

- approve the 2021/22 Audit & Assurance Plan (as set out in Appendices 1 and 2);
- approve the Internal Audit Charter (as set out in Appendix 3)
- note that reports dealing with both progress against the Plan and outcomes achieved will be submitted to each meeting; and
- note that Plan changes will be reported during the year.

3. BACKGROUND

Under the Accounts and Audit Regulations 2015 the Council “must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal audit standards (PSIASs)”. The PSIASs require the Head of Audit & Assurance to develop a risk based audit plan taking into account the requirement to produce an annual internal audit opinion. The plan must explain how internal audit’s resource requirements have been assessed.

The PSIAS also require an internal audit charter to be in place. The charter should set out the purpose, authority and responsibility of internal audit. They require the Head of Audit & Assurance to review the charter periodically. However the final approval resides with the Audit & Governance Committee. The Charter has been reviewed and up-dated to reflect recent changes in the senior management job titles. No other changes have been identified as being required since the Charter was last approved in July 2020.

4. RATIONALE

The Plan and Charter define the scope and the rationale of the approach

being followed. They allow Audit & Assurance, independently, to provide assurance to managers, the Chief Executive, the Section 151 Officer and other stakeholders about the effectiveness of controls and the management of risk. They also enable Audit and Assurance to assist this Committee with its responsibility to oversee the effectiveness of governance arrangements in the Council and in its partnerships through the reporting arrangements in place.

5. KEY ISSUES

The Plan:

The Plan defines the scope and reasoning behind the approach being adopted. Overall, the objectives are:

- to fulfil Audit & Assurance's own statutory obligations;
- to provide assurance, support and advice to Directors on matters under their control;
- to support the Section 151 Officer's statutory obligations to maintain an adequate and effective audit of the Council's accounting records and its systems of internal control;
- to assist the Audit & Governance Committee in gaining independent assurance on the Council's risk management, governance and control arrangements;
- to report compliance with the PSIAS; and
- to contribute to the development of corporate standards as part of the Resources Directorate.

The Plan itself, as in previous years, is risk-based and the audit methodology is essentially risk-based auditing.

Consultations:

The Plan, as a whole, is also a product of consultations with Directors and their Management Teams, and the Corporate Leadership Team, which were undertaken in February/March. Later in 2021/22 further consultations will be held to ensure that the Plan continues to meet the stated objectives. Any significant changes to reflect new developments, changes to priorities and/or resources will be reported to this Committee.

Ongoing consultations will take place with Directors and Heads of Service during 2021/22 to ensure that specific Terms of Reference are prepared for each planned audit to reflect the detailed key risks relevant to each area.

Resources:

Audit & Assurance has had to make adjustments to its staffing establishment to meet the demands currently placed upon the Council. The audit resources currently available are considered sufficient to deliver an effective Audit Plan.

The planned resources for the internal audit function for this year are 711 work-days. In addition, there are 721 work-days for Risk Management (55 days), Counter Fraud (52 days), Insurance and Financial Support/Other (614 days).

Internal Audit Charter:

The Internal Audit Charter is a requirement of the PSIAS, which became mandatory from 1 April 2013. The Charter was last re-approved at the Audit &

Governance Committee meeting in July 2020. The Charter has been reviewed and up-dated to reflect recent changes in the senior management job titles. No other changes are deemed necessary for 2020/21.

6. POLICY IMPLICATIONS

This report begins the process that leads to the Annual Governance Statement for the new financial year. This process assesses the effectiveness of the Council's own management of its policy objectives.

7. FINANCIAL IMPLICATIONS

There are no financial implications arising as a result of this report.

8. LEGAL IMPLICATIONS

There are no legal implications arising as a result of this report.

9. RESOURCE IMPLICATIONS

There are no additional resource implications arising as a result of this report.

10. EQUALITY & HEALTH IMPLICATIONS

There are no equality or health implications arising as a result of this report.

11. CONSULTATIONS

Corporate Leadership Team

Contact Officer:	Colin Ferguson, Head of Audit & Assurance - Ext: 5326
Date:	18 March 2021
Background Papers:	Audit & Assurance Planning papers; Risk Registers; 2020/21 Audit & Assurance Plan, Strategic Statement and Internal Audit Charter.