

Bath & North East Somerset Council			
MEETING:	Corporate Audit Committee		
MEETING DATE:	30 th July 2019	AGENDA ITEM NUMBER	
TITLE:	Internal Audit Plan - 2019/2020		
WARD:	ALL		
AN OPEN PUBLIC ITEM			
List of attachments to this report:			
Appendix 1 – Internal Audit Annual Plan 2019/20			
Appendix 2 – Audit Charter			

1 THE ISSUE

1.1 This is a report detailing the proposed Internal Audit Plan for 2019/20 and informing the committee of the Audit Charter.

2 RECOMMENDATIONS

2.1 The Corporate Audit Committee is asked to:

- Approve the Internal Audit Plan for 2019/20

3 FINANCIAL IMPLICATIONS

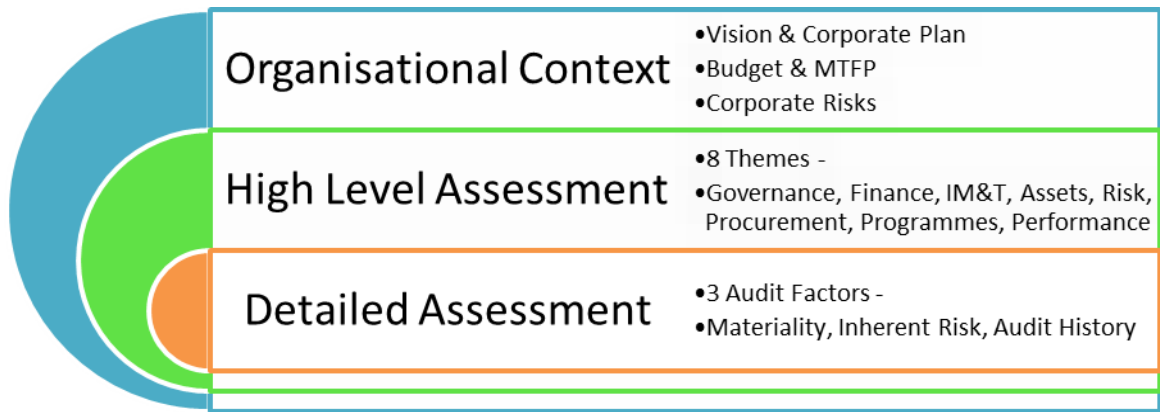
3.1 There are no direct financial implications relevant to this report.

4 THE REPORT

4.1 Internal Audit Annual Plan 2019/20 (Appendix 1)

4.2 The Public Sector Internal Audit Standards require Internal Audit to prepare a risk-based plan and this is attached at Appendix A.

4.3 The Plan has gone through a wide series of consultation including with Statutory Officers, Directors and other senior managers, and as detailed to the Committee previously we use the reasonable assurance model to compile the plan of which the essential elements are as follows –



4.4 Notwithstanding the assessment, specific circumstances (such as a significant reputational issue or request of S151 Officer or Senior Management Team) may on occasion mean that a low scoring topic is nevertheless included in the Plan.

4.5 In addition to completing the Internal Audit Reviews, One West will -

- Provide support to the corporate governance framework within the Council including completing the Annual Governance review work required to publish the Council's Annual Governance Statement;
- Complete 'Follow-up' reviews to verify the implementation of Internal Audit Review recommendations.
- Provide support to assess the Council's risk management framework;
- Carry out the Co-ordination and Investigation roles to complete the work required through the Cabinet Office Data Matching 'National Fraud Initiative';
- Carry out Anti-Fraud and Corruption work – review of Strategy, Policies and guidance. This will include fraud awareness training to staff in targeted areas.
- Provide advice on systems of internal control including Council policies and procedures. This is particularly important when systems and processes are being developed or changed;
- Provide support to Services on carrying out investigations in relation to financial irregularities. This may require Audit staff to take on the Investigating Officer role in compliance with the Council's disciplinary procedures;
- Provide a service to verify the accuracy of specific grant claims and when required provide assurance to the Council's Chief Executive or other officers who are required to 'sign-off' Claim Certificates.

- 4.6 The Plan will remain fluid during the year to enable the service to respond to the Council's changing risk environment and the Committee will receive an update on performance during the year.

Internal Audit Charter & Professional Standards

- 4.7 The Public Sector Internal Audit Standards (PSIAS) came into effect from 1st April 2013 and replaced the CIPFA Code of Practice for Internal Audit in Local Government, Central Government and the NHS. The PSIAS was revised wef 1st April 2017 and are based on the Institute of Internal Auditors' International Standards. The objectives of the PSIAS are to:

- Define the nature of internal auditing within the UK public sector.
- Set basic principles for carrying out internal audit in the UK public sector.
- Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations.
- Establish the basis for the evaluation of internal audit performance and to drive improvement planning.

- 4.8 A key requirement of the PSIAS is an Internal Audit Charter which defines the internal audit activity's purpose, authority and responsibility. The Internal Audit Charter establishes its position within the organisation; the nature of the Chief Audit Executive (CAE's) functional reporting relationship with the Audit Committee; formally records its access to property, records and personnel; and defines the scope of internal audit activities. The CAE must periodically review the Internal Audit Charter and present it to the Audit Committee for approval.

- 4.9 As part of best practice we always present the Charter annually to the Audit Committee (which you approved last year) so that they are aware of how Internal Audit delivers its services and derives its authority and to re-confirm our independence.

- 4.10 Each year we will assess ourselves against the required standards and ensure a quality assurance and improvement programme (QA&IP) is in place requiring both internal and external assessment with an external assessment being required once every 5 years.

- 4.12 We were externally assessed in 2018 and are pleased to confirm we have received the highest rating – general confirming to standards – and will ensure we keep the Committee apprised on an annual basis of our ongoing compliance

5 RISK MANAGEMENT

- 5.1 The preparation of the audit plan is carried out following a risk assessment using a number of factors. Commentary and opinion in relation to past

performance has used the outcome of audit and other inspection work to inform the risk assessment and there is nothing significant to report.

6 EQUALITIES

6.1 A proportionate equalities impact assessment has been carried out in relation to this report. There are no significant issues to report.

7 CONSULTATION

7.1 The report was distributed to the S151 Officer for consultation.

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Background papers	
Please contact the report author if you need to access this report in an alternative format	