

<b>Bath &amp; North East Somerset Council</b>			
<b>MEETING:</b>	Corporate Audit Committee		
<b>MEETING DATE:</b>	30 <sup>th</sup> July 2020	<b>AGENDA ITEM NUMBER</b>	
<b>TITLE:</b>	<b>Internal Audit Plan - 2020/2021</b>		
<b>WARD:</b>	ALL		
<b>AN OPEN PUBLIC ITEM</b>			
<b>List of attachments to this report:</b>			
Appendix 1 – Audit & Assurance Plan 2020/21			
Appendix 2 – Internal Audit Charter			

## **1 THE ISSUE**

1.1 This is a report detailing the proposed Internal Audit Plan for 2020/21 which forms the principal work for the Internal Audit Service. In addition, the Internal Audit Charter setting out the purpose, authority and principal responsibilities of the Internal Audit Service has been subject to an annual review resulting in minor amendments.

## **2 RECOMMENDATIONS**

2.1 The Corporate Audit Committee is asked to:

- Approve the Audit & Assurance (Internal Audit) Plan 2020/21
- Approve the Internal Audit Charter (minor amendments to version presented to July 2019 Committee meeting)

## **3 FINANCIAL IMPLICATIONS**

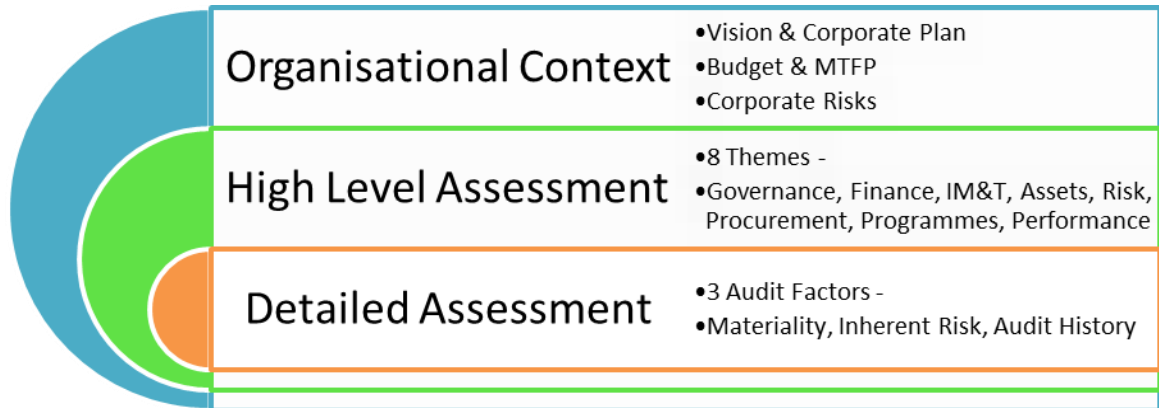
3.1 There are no direct financial implications relevant to this report.

## **4 THE REPORT**

### **4.1 Audit & Assurance (Internal Audit) Plan 2020/21**

4.2 The Public Sector Internal Audit Standards require Internal Audit to prepare a risk-based plan and this is attached at Appendix 1.

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 It should be noted that the Plan was compiled prior to the Covid19 lockdown and therefore the Plan will have to be amended based on the need to respond to changes to organisational operations and the risk environment. Committee Members through the Chair of the Corporate Audit Committee will be kept informed of changes to the Plan.

4.6 In addition to completing the planned Internal Audit Reviews identified in Appendix 1, Internal Audit 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;
- 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';
- 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;

- 4.7 In addition to Members being kept informed of developments in the Audit Plan, Committee members will also receive formal updates on performance during the year.

## **Internal Audit Charter & Professional Standards**

- 4.8 The Public Sector Internal Audit Standards (PSIAS) came into effect from 1<sup>st</sup> April 2013 and replaced the CIPFA Code of Practice for Internal Audit in Local Government, Central Government and the NHS. The PSIAS was revised w.e.f. 1<sup>st</sup> 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.

- 4.9 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 confirm their independence and review the Internal Audit Charter and present it to the Audit Committee for approval and attached at Appendix 2 is the latest refreshed version.

- 4.10 The changes to the Internal Audit Charter were very minor including changes to post titles / role e.g. from Head of Audit West to the Chief Audit Executive. This is to be consistent with the PSIAS.

## **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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<b>Background papers</b>	
<b>Please contact the report author if you need to access this report in an alternative format</b>	