

Bath & North East Somerset Council			
MEETING:	Corporate Audit Committee		
MEETING DATE:	29 th April 2021	AGENDA ITEM NUMBER	
TITLE:	Internal Audit Plan - 2021/2022		
WARD:	ALL		
AN OPEN PUBLIC ITEM			
List of attachments to this report:			
Appendix 1 – Audit & Assurance Plan 2021/22			
Appendix 2 – Internal Audit Charter 2021			

1 THE ISSUE

1.1 This is a report detailing the proposed Internal Audit Plan for 2021/22 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 related to a recent Senior Management restructure and changes to job titles.

2 RECOMMENDATION

2.1 The Corporate Audit Committee is asked to:

- Approve the Audit & Assurance (Internal Audit) Plan 2021/22
- Approve the Internal Audit Charter

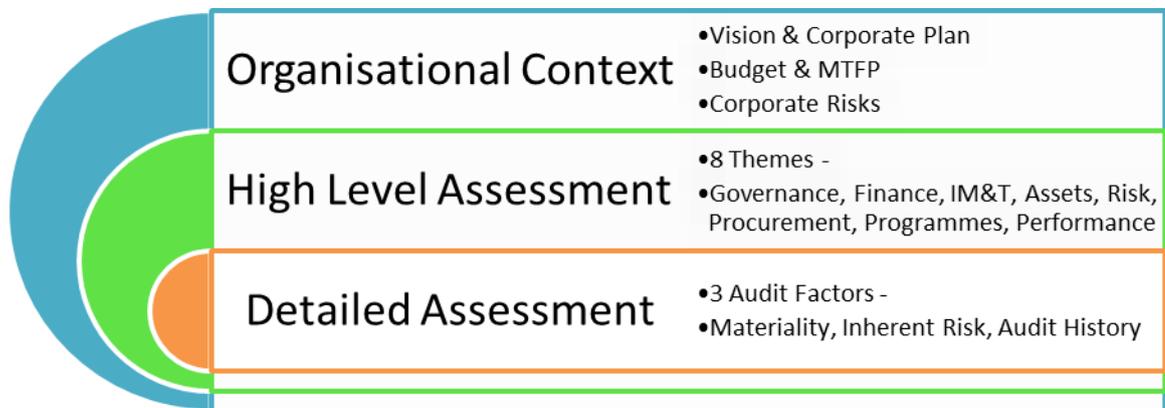
3 THE REPORT

3.1 Audit & Assurance (Internal Audit) Plan 2021/22

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

3.3 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 –



3.4 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.

3.5 It should be noted that the 2021-22 Plan was compiled during the third Covid-19 lockdown. A proportion of the plan has been allocated to reviewing activity related to the Council's response to Covid19 including the administration to passport government funding to small business, suppliers / service providers and residents. It is important that the Internal Audit Service is flexible and is responsive to the needs of the organisation and provides independent assurance if/when required.

3.6 The Audit Plan will therefore need to be flexible and kept under review and amended when necessary. A half year position report will be presented to Committee later in 2021/22 and a revised Audit Plan will be submitted for approval. Statutory Officers including the Chief Finance Officer will be consulted on any significant changes to the Committee approved Plan.

3.7 In addition to completing the planned Internal Audit Reviews recorded 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.
- 3.8 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

- 3.9 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 w.e.f. 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.
- 3.10 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.
- 3.11 The changes to the Internal Audit Charter were very minor including changes to post titles.

4 STATUTORY CONSIDERATIONS

- 4.1 There are no specific statutory considerations related to this report. Accounts & Audit Regulations set out the expectations of provision of an Internal Audit service. This is supported by S151 of the Local Government Act and CIPFA Codes of Practice and the IIA professional standards for delivery of an adequate Internal Audit Service.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 There are no direct resource implications relevant to this report.

6 RISK MANAGEMENT

- 6.1 A proportionate risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance. Significant risks to the council arising from an ineffective Internal Audit Service include lack of internal control, failures of governance and weak risk management. Specific risks include supplementary External Audit Fees, undetected fraud and inadequate coverage of risks arising from COVID-19. Internal Audit assists the council in identifying risks, improvement areas and recommending good practice.
- 6.2 The Corporate Audit Committee has specific responsibility for ensuring the Council's Risk Management and Financial Governance framework is robust and effective.

7 EQUALITIES

- 7.1 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

8 CLIMATE CHANGE

- 8.1 There are no direct climate change implications related to this report.

9 OTHER OPTIONS CONSIDERED

- 9.1 No other options to consider related to this report.

10 CONSULTATION

10.1 The Council's Section 151 Officer has had the opportunity to input to this report and has cleared it for publication.

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