

**REPORT TO AUDIT & GOVERNANCE**  
**Date of Meeting: 13<sup>th</sup> March 2019**  
**Report of: AUDIT MANAGERS**  
**Title: 2019/20 INTERNAL AUDIT PLAN**

**Is this a Key Decision?**

No

\* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

**Is this an Executive or Council Function? COUNCIL**

**1. What is the report about?**

The Audit and Governance Committee has responsibility for approving the annual Internal Audit plan and ensuring that appropriate risk assessments have been carried out when formulating the plan. This report details the proposed areas of work for the 2019/20 year.

**2. Recommendations:**

2.1 That the 2019/20 Internal Audit Plan be approved.

**3. Reasons for the recommendation:**

3.1 To meet the terms of reference of the Audit and Governance committee.

**4. What are the resource implications including non financial resources.**

4.1 No additional resources implications

**5. Section 151 Officer Comments:**

5.1 The audit plan is based on a logical methodology. The proposed plan raises no concerns for the section 151 Officer.

**6. What are the legal aspects?**

None Identified

**7. Monitoring Officer's comments:**

The internal Audit Plan provides essential insight to providing effective management of council business which is a fundamental component to delivering the Corporate priority to deliver a "well run Council" for the period 2018-2021. As such the Monitoring Officer is very supportive of the audit plan.

**8. Report details:**

8.1 The Internal Audit Strategy including the audit rolling plan was established in line with internal control and risk management best practice, and is used to establish the basis of the Audit Plan.

- 8.2 The Council's Internal Auditors apply a risk management approach to their work to provide assurance around the effectiveness of internal controls and separation of duties and that risk is adequately considered throughout the Council. This approach ensures that non-financial systems (such as corporate governance, health & safety and risk management) are afforded the same 'fundamental systems' status as the traditionally important financial systems (such as creditors, housing benefits, payroll and council tax).
- 8.3 All systems are assessed using an audit risk assessment matrix and high risk areas are normally audited on an annual basis, medium risk areas every other year and low risk areas once during the four-year rolling plan cycle. However, the plan is under continual review throughout the year to ensure that any emerging risks are considered for review and should a revision to the plan be required, a recommendation would be presented to this committee. The risk assessment is reviewed at least annually to ensure that changes that could affect the risk rating are considered which could consequently alter the frequency of audits.
- 8.6 The Audit Plan has also been linked to the Corporate Risk Register and the appropriate risk reference is shown against the relevant audit in Appendix A.
- 8.7 In addition to the risk analysis, the Audit Managers have also obtained feedback from Strategic Management Board about their priorities, their responsibilities under the corporate risk register and to identify any specific concerns they may have. They have also obtained feedback from the Chair and Deputy Chair of the Audit and Governance Committee. The outcomes of the feedback have been fed into the formation of the 2019/20 Internal Audit plan.

**9. How does the decision contribute to the Council's Corporate Plan?**

An effective internal audit is part of good governance that enables the Council to operate an effective control environment and therefore contributes to the purpose 'A well run council'.

**10. What risks are there and how can they be reduced?**

Systems of control can only ever provide reasonable, but not absolute, assurance that control weaknesses and irregularities do not exist, and that there are no risks of material errors, losses, fraud or breaches of laws or regulations. The Council is therefore continually seeking to improve the effectiveness of its systems of internal control.

Risks are further reduced by producing an annual audit plan linked to the Council's corporate risk register and prioritising the plan based on risk. Progress against the plan is reported to this Committee on a quarterly basis.

**11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

N/A

**12. Are there any other options?**

N/A

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**Audit Managers**

Local Government (Access to Information) Act 1972 (as amended)  
Background papers used in compiling this report:-  
None

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