

<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Tracy Greenhalgh – Head of Audit and Risk
<b>Date of Decision/ Meeting</b>	7 March 2019

## INTERNAL AUDIT PLAN 2019/2020

### 1.0 Purpose of the report:

1.1 To obtain approval for the Internal Audit Plan 2019/2020.

### 2.0 Recommendation(s):

2.1 To approve the Internal Audit Plan for 2019/2020.

### 3.0 Reasons for recommendation(s):

3.1 The Public Sector Internal Audit Standards require that the Internal Audit Plan is approved by senior management and the Audit Committee.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

3.4 None.

### 4.0 Council Priority:

4.1 The relevant Council Priority is organisational resilience.

### 5.0 Background Information

5.1 Each risk based review will include core areas of internal control such as business planning, performance monitoring and security of assets. Segregation of duties in key processes will remain an important focus given the current economic climate and issues identified from past work.

Compliance testing accounts for approximately forty percent of the allocated audit

resource to complement risk based audit work with a robust set of compliance testing.

Changes to the programme of risk based work will only be made following discussion with the Council's Section 151 officer. Any changes will be made known to the Audit Committee through the quarterly report of the Head of Audit and Risk.

5.2 Does the information submitted include any exempt information? No

5.3 **List of Appendices:**

Appendix 6(a) – Internal Audit Plan 2019/2020

6.0 **Legal considerations:**

6.1 Each audit review will consider the legal implications faced by the service and will factor these into the evaluation of the service.

7.0 **Human Resources considerations:**

7.1 A meeting will be arranged with the relevant Director and Head of Service to scope each audit review and agree timings so that staff have adequate notice that an audit is going to be undertaken.

8.0 **Equalities considerations:**

8.1 The plan is based on a risk assessment of all Council services.

9.0 **Financial considerations:**

9.1 Financial controls are a key feature in all audits.

10.0 **Risk management considerations:**

10.1 An audit universe is in place which lists all Council services and an exercise is undertaken to risk assess each service using a weighted criteria including materiality, system stability, devolved control, internal control and sensitivity. This is undertaken by the Internal Audit Team using their combined knowledge and experience. The Head of Audit and Risk then meets with each Directorate Management Team to present internal audit's priorities and establish what they consider to be risks faced by their service areas.

All of the above information is collated into one document and a further risk assessment is undertaken by the Head of Audit and Risk to identify which of the risks

can be resourced in the internal audit plan. Factors which inform this include whether a follow-up of priority one recommendations is already planned, time since last review, whether assurance can be obtained from a different source, the strategic risk register and whether internal audit can gain assurance through an alternative method.

**11.0 Ethical considerations:**

11.1 Each internal audit undertaken will be completed in compliance with the Code of Ethics as outlined in the Public Sector Internal Audit Standards.

**12.0 Internal/ External Consultation undertaken:**

12.1 Planned audit work has been discussed with the Chief Executive, Senior Management and the Section 151 Officer. The plan was approved by the Corporate Leadership Team on 29 January 2019.

**13.0 Background papers:**

13.1 None.