

Audit Committee

28th May 2020



Report of: Chief Internal Auditor

Title: Internal Audit Plan 2020/21

Ward: N/A

Officer Presenting Report: Simba Muzarurwi – Chief Internal Auditor

Recommendation

The Audit Committee approve the Internal Audit Plan for 2020/21. The draft Internal Audit Plan 2020/21 that was noted by the Audit Committee on 16 March 2020 has been revised to take into account the known impacts of the Covid-19 outbreak and the emerging risks the Council faces. In approving this Plan, the Committee should be satisfied that the plan reflects the key areas for which they will require assurance from Internal Audit in 2020/21.

Given the uncertainty of the operating environment due to the Novel coronavirus (Covid-19) and the need for Internal Audit to audit at the speed of risk, a rolling audit plan approach has been adopted which will see this Plan being reviewed by the Audit Committee quarterly.

Summary

The report provides the Audit Committee with the Final Internal Audit Plan for 2020/21.

The significant issues in the report are:

- Internal Audit approach during the Covid-19 emergency (Section 2 of Appendix A)
- Resourcing impacts and assumptions (Section 3 of Appendix A)
- Plan amendments (Section 4 of Appendix A)
- The Internal Audit Plan. (Appendices 1 and 2 of Appendix A)

Policy

1. Audit Committee Terms of Reference.

Consultation**2. Internal**

- The Corporate Leadership Board
- Executive Directorate Management Teams
- Monitoring Officer
- S.151 Officer
- Other Management

3. External

None

Context

4. The Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end, it should seek assurance that the key areas that contribute to this framework are operating properly.
5. The Council's Internal Audit service is a key component of the assurance framework and the Audit Committee's Terms of Reference includes a requirement to provide independent assurance to the Council in relation to internal audit activity. The Audit Committee need to consider if the planned Internal Audit work is appropriate and sufficient to provide the Committee with the assurance it requires. Public Sector Internal Audit Standards 2013 include guidance that the Committee should review and approve the Internal Audit work plan.
6. The draft Internal Audit Plan 2020/21 was noted by the Audit Committee on 16 March 2020 and any written queries received from Audit Committee Members have been appropriately responded to. This draft Plan has now been revised to reflect the known impacts of the Covid-19 outbreak and the emerging risks the Council faces.
7. Given the uncertainty of the pandemic duration, it is anticipated that risks will continue to evolve at pace during this period and to ensure the Audit Plan remains relevant throughout the year, Internal Audit will maintain a rolling plan going forward which will be formally reviewed quarterly. The audits that are being proposed for completion in Quarter 1 and 2 are highlighted in Appendix 1 of Appendix A

Proposal

8. The Audit Committee review and approve the Final Internal Audit Plan for 2020/21. In doing so, the Committee should ensure that plan reflects the areas for which they will require assurance from Internal Audit in 2020/21.

Other Options Considered

9. None Necessary.

Risk Assessment

10. An adequate and effective internal audit service, as well as a statutory requirement, is an integral part of good governance. A sound Internal Audit planning process minimises the risk of non-compliance with statute and good practice, and at the same time maximises the value that Internal Audit adds to the Council's governance arrangements and internal control environment.

Public Sector Equality Duties

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
 - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
 - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.
- 8b) No equalities assessment necessary for this report.

Legal and Resource Implications

Legal – Not applicable

Financial

(a) Revenue – Not applicable

(b) Capital – Not applicable

Land/Property - Not applicable

Human Resources - Not applicable

Appendices:

- **Appendix A – Internal Audit Plan Report and Final Plan for 2020/21**

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Audit Planning Files, Corporate and Directorate Risk Registers, Public Sector Internal Audit Standards.