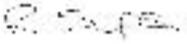


<b>Report to:</b>	Audit and Governance Committee	<b>Date:</b>	18 June 2020
<b>Report title:</b>	Internal Audit Annual Plan 2020/21		
<b>Report from:</b>	Richard Simpson, Strategic Director - Resources		
<b>Ward/Areas affected:</b>	Borough Wide		
<b>Chair of Committee/Lead Member:</b>	Councillor Sam Weatherlake		
<b>Author(s)/Contact Number(s):</b>	Margaret Culleton, Head of Internal Audit, 0208 770 4956		
<b>Corporate Plan Priorities:</b>	<ul style="list-style-type: none"> <li>• Smarter Ways of Working</li> </ul>		
<b>Open/Exempt:</b>	Open		
<b>Signed:</b>		<b>Date:</b>	2 June 2020

## 1. Summary

- 1.1 The draft Annual Internal Audit Plan, Charter and Strategy 2020/21 sets out Internal Audit's priorities and work programme for the year ahead for approval by the Audit and Governance Committee.

## 2. Recommendations

- 2.1 To approve the Internal Audit Plan, as set out in Appendix A
- 2.2 To approve the Internal Audit Charter and Strategy for 2020/21, as set out in Appendix B.

## 3. Background

- 3.1 The Accounts and Audit Regulations 2015 requires an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. This task has been delegated to the responsible finance officer under Section 151 of the Local Government Act 1972. The Internal Audit function supports the statutory role of the responsible finance officer and helps maintain effective management by constructively evaluating financial and non-financial systems.

#### **4. Issues**

- 4.1 The Audit Plan has been prepared on a risk based approach and with consultation with senior management and referring to the following sources of information:
- Covid 19 arrangements
  - Risk registers
  - The Annual Governance Statement
- 4.2 For 2020/21 it is proposed that the total resource level is set at 640 days for Internal Audit. The assurance work undertaken will feed into the Annual Governance Statement at the year end. The plan therefore needs to cover a range of audit reviews covering Key financial systems, IT, procurement, schools and service specific areas.
- 4.3 The plan for 2020/21 will be flexible as it focuses on the impact of Covid 19 on the control environment. Assurance work on key financial systems, schools and key areas may require a different approach using the increased use of data analytics. The timing of audits will be agreed with the Assistant Directors and Heads of Service and will be mindful of the current pressures in key areas of the council at the current time. (Appendix A details the proposed areas of review).
- 4.4 The audit plan will be kept under review by the Head of Internal Audit throughout the year to ensure that it can provide on-going support to the council and remains focused on key risk areas.
- 4.5 The Head of Internal Audit will provide progress reports as well as any proposed Audit Plan changes to the Audit and Governance Committee.
- 4.6 Implementation of Priority 1 audit actions will be followed up. Updates on progress on these actions are requested when the implementation dates are reached. If no update is received, these are escalated to strategic directors and then at 3 months overdue to the Audit and Governance Committee.
- 4.7 In accordance with the UK Public Sector Internal Audit Standards, an annual Charter and strategy has been prepared setting out the purpose, authority and responsibility of the Council's Internal Audit function. This is included in Appendix B.

#### **5. Options Considered**

- 5.1 Not applicable.

#### **6. Impacts and Implications**

##### Financial

- 6.1 There are no financial implications arising from the recommendations in this report.

Legal

- 6.2 The Internal Audit function supports the statutory role of the responsible finance officer as defined in Section 151 of the Local Government Act 1972. The Accounts and Audit (England) Regulations 2015 set out the detailed statutory requirements for internal audit and internal control at local authorities. Internal Audit has operational procedures and practices that are designed to comply with all statutory obligations.

**7. Appendices and Background Documents**

<b>Appendix letter</b>	<b>Title</b>
A	Internal Audit: Annual Audit Plan 2020/21
B	Audit Charter & Strategy 2020/21

<b>Background documents</b>
None

<b>Audit Trail</b>		
Version	Final	Date: 2 June 2020
<b>Consultation with other officers</b>		
Finance	Yes	N/A
Legal	No	N/A
Equality Impact Assessment required?	No	N/A

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