

REPORT TO	ON
Governance Committee	30 May 2019



TITLE	REPORT OF
Audit Plan 2019/20	Interim Head of Shared Assurance Services

Is this report confidential?	No
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PURPOSE OF THE REPORT

1. To seek the Governance Committee's approval of the Internal Audit Plan for the period 1 April 2019 to 31 March 2020.

RECOMMENDATIONS

2. That the Committee reviews and approves the Audit Plan for 2019/20.

CORPORATE PRIORITIES

3. The report relates to the following corporate priorities:

Excellence and Financial Sustainability	✓
Health and Wellbeing	
Place	

Projects relating to People in the Corporate Plan:

People	
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BACKGROUND TO THE REPORT

4. Internal Audit activity within Local Authorities is mandated by the Accounts & Audit Regulations 2015, which require that the:-

...relevant authority must undertake 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.

The **Public Sector Internal Audit Standards (PSIAS)** are the mandated professional standards in place for internal audit in local government. The PSIAS sets out the requirement for the Head of Audit & Assurance to:-

- i) develop a risk based audit plan;
- ii) consult with Leadership Team and the Governance Committee; and
- iii) ensure internal audit resource requirements are assessed appropriately.

Obtain an understanding of the Council's:-

- i) strategies;
- ii) key business objectives;
- iii) associated risks; and
- iv) risk management processes.

PROPOSALS (e.g. RATIONALE, DETAIL, FINANCIAL, PROCUREMENT)

5. Audit Plan

5.1 Internal Audit is an independent appraisal function whose prime objective is to evaluate and report on the adequacy of the Council's system of governance, risk and internal control. This is largely achieved through an annual programme of reviews. The 2019/20 Internal Audit Plan for the period 1st April 2019 to 31st March 2020 is attached at Appendix 1 and contains the programme of reviews for the current financial year. This includes the 3 month plan which was submitted to and approved by the then Governance Committee on the 14th March 2019.

5.2 The plan has been constructed following an assessment of audit need utilising a risk based approach which considers a number of factors including financial risk, legislative risk, reputational risk, changes in staffing, systems and procedures, the length of time since an area was last audited and items in the Corporate Plan and Corporate Risk Register. The Plan has been presented to and agreed by Leadership Team.

5.3 The areas to be reviewed in the year include those areas of work carried forward from 2018/19 as identified in the previous report. The plan includes a number of days yet to be allocated, this is in order to ensure that the service can be flexible in its approach to emerging risks and to provide support for major programmes of work / projects.

Audit Days

5.4 The Internal Audit Plan for 2019/20 is based on an overall resource of **340 audit days for South Ribble Council and 120 days for the Shared Service**. This is the number of chargeable days' available utilising existing resources (after deducting annual leave and other non-chargeable time, this is identified in the table on the second page of Appendix 1). It comprises of a mix of in-house and bought-in resources from Lancashire Audit Services (Lancashire County Council) and Merseyside Internal Audit Agency for IT Audit.

CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

6. Consultation has been undertaken and any comments included in the revised Plan.

FINANCIAL IMPLICATIONS

7. There are no financial implications in regard to this report

LEGAL IMPLICATIONS

8. The Accounts & Audit Regulations require that... “ a relevant authority must undertake 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”. In order to comply with this requirement, the Council must produce an annual plan by undertaking appropriate risk assessments of the Council’s services / auditable areas. This report and appended plan meets with that requirement.

COMMENTS OF THE STATUTORY FINANCE OFFICER

9. There are no comments from the Statutory Finance Officer.

COMMENTS OF THE MONITORING OFFICER

10. The proposed work outlined in this report is designed to ensure that we comply with all our statutory duties. The importance of having sound and robust governance and risk management arrangements can hardly be overstated.

OTHER IMPLICATIONS:

▶ HR & Organisational Development	Resources have been allocated as per resources in place.
▶ ICT / Technology	Technology is utilised as required for carrying out the function of Internal Audit & reporting
▶ Property & Asset Management	N/A
▶ Risk	The failure to compile and agree a plan could result in legal and reputation harm resulting from non-compliance with the Accounts & Audit Regulations
▶ Equality & Diversity	N/A

BACKGROUND DOCUMENTS

There are no background papers to this report

APPENDICES

Appendix 1 Annual Plan

Report Author:	Telephone:	Date:
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