



## **AUDIT & GOVERNANCE COMMITTEE**

Monday, 29 June 2020

### **ANNUAL INTERNAL AUDIT PLAN 2020-21**

#### **EXECUTIVE SUMMARY**

1. In previous years, the Audit and Governance Committee has received a report at its March meeting outlining the Internal Audit Plan for the coming year, following consultation of the Plan with the Corporate Management Team.
2. Members will be aware that, in common with all other areas of the Council, the work of the Internal Audit Team has been significantly affected by the Covid-19 pandemic. A separate report upon the status of the 2019/20 Internal Audit Plan is being presented to this Committee.
3. Whilst much of the 2019/20 Audit Plan was completed before the impact of the pandemic took hold, the change in focus which has been necessary within the Internal Audit Team from March 2020 in supporting the Council's response to the pandemic has resulted in a significant change to the usual audit planning process.
4. As the Internal Audit Team is likely to be required to support the wider Council response to the coronavirus pandemic for some time, it would not be practical at this stage to commit to a set Internal Audit Plan for the 2020/21 financial year. The Committee can expect to see an Internal Audit Plan for 2020/21 brought to its September 2020 meeting.
5. This report is being presented to the Audit & Governance Committee in accordance with the Committee's terms of reference which stipulate that the Committee is to *'review and approve the annual internal audit plan and any major changes to it'*.
6. Internal Audit Services acts in accordance with the Accounts and Audit Regulations (2015) and aims to follow the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (2019). This report has been prepared in accordance with our Audit Charter.

|                               |      |
|-------------------------------|------|
| Is the report Open or Exempt? | Open |
|-------------------------------|------|

|                        |     |
|------------------------|-----|
| <b>Wards Affected:</b> | All |
|------------------------|-----|

|                        |   |
|------------------------|---|
| <b>Cabinet Member:</b> | Councillor Maurice Cook<br>Cabinet Member with responsibility for Resources |
|------------------------|---|

|                            |   |
|----------------------------|---|
| <b>Supporting Officer:</b> | Name: Mrs Siobhan Martin<br>Job Title: Head of Internal Audit<br>Telephone: 01394 444254<br>Email: <a href="mailto:siobhan.martin@eastsoffolk.gov.uk">siobhan.martin@eastsoffolk.gov.uk</a> |
|----------------------------|---|

## **1 PURPOSE OF THE REPORT**

- 1.1 Internal Audit Services acts in accordance with the Accounts and Audit Regulations (2015) and aims to follow the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (2019). This report has been prepared in accordance with our Audit Charter. The Council is required under the Accounts and Audit Regulations to maintain an adequate and effective Internal Audit Service.
- 1.2 This report presents the current position related to the strategic risk based Internal Audit Plan for 2020/21, as consulted with the Chief Executive and Corporate Management Team.

## **2 INTRODUCTION**

- 2.1 The work of the Internal Audit Service is to provide independent assurance and report upon the effective and efficient application of internal controls, governance arrangements and value for money at the Council.

## **3 HOW DOES THIS RELATE TO THE EAST SUFFOLK STRATEGIC PLAN?**

- 3.1 Planned and emerging Internal Audit exercises will directly support a good governance and risk management approach to the key themes set out in the East Suffolk Strategic Plan 2020-2024 – ‘We are East Suffolk’.

## **4 INTERNAL AUDIT ANNUAL PLAN 2020/21**

- 4.1 The annual risk-based Internal Audit Plan, which is usually considered by the Committee at its March meeting each year, details the work that will provide assurance to the Council in terms of the adequacy and effectiveness of financial and management controls in the areas under review.
- 4.2 Members will be aware that, in common with all other areas of the Council, the work of the Internal Audit Team has been significantly affected by the Covid-19 pandemic.
- 4.3 As the Internal Audit Team is likely to be required to support the wider Council response to the coronavirus pandemic for some time, it would not be practical at this stage to commit to a set Internal Audit Plan for the 2020/21 financial year.
- 4.4 At this time, the Internal Audit Team must retain the flexibility to be responsive to the Council’s changing needs, and for this reason a written Plan for 2020/21 has not been produced. The Committee can, however, expect to see an Internal Audit Plan for 2020/21 brought to its September 2020 meeting.

## **5 FINANCIAL AND GOVERNANCE IMPLICATIONS**

- 5.1 Internal Audit reports, advice and recommendations all aim to create and foster a robust corporate governance foundation to support sustainable services for all stakeholders. Consequently, the Internal Audit Service aims to mitigate the risk of losses arising from error, irregularity, and fraud. In addition, efficiency, effectiveness, and economy reviews form part of the work plan, and this represents a fundamental function in delivering the Council’s corporate governance responsibilities.
- 5.2 The Local Government Act 1972 and the Accounts and Audit Regulations 2015 require principal local authorities to ‘...undertake an adequate and effective internal audit of its accounting records and of its systems of internal control in accordance with the proper practices in relation to internal control.’

## 6 OTHER KEY ISSUES

- 6.1 This report does not require an Equality Impact Assessment, a Sustainability Impact Assessment, or a Partnership Impact Assessment).

## 7 CONSULTATION

- 7.1 Internal consultation with the Corporate Management Team and external consultation with the Council's External Auditor will continue to take place. Detailed meetings occurred throughout January and February 2020 as part of the Head of Internal Audits normal strategic risk-based planning process. However, as explained the international crisis since March 2020 has meant a new risk based strategic plan will be written at an appropriate time considering the different risk arena being faced by Councils.

## 8 OTHER OPTIONS CONSIDERED

- 8.1 No further options have been considered.

## 9 CONCLUSION

- 9.1 Internal Audit will continue to provide regular reports to the Audit and Governance Committee on its activities and any significant issues arising.

## 10 REASON FOR RECOMMENDATION

- 10.1 To support the Council's overall governance arrangements and to ensure that the Audit and Governance Committee fulfils its terms of reference by reviewing the appropriateness of the proposed internal audit activity across the Council.

### RECOMMENDATION

That the Audit and Governance Committee receive a report on the Annual Internal Audit Plan 2020/21 at its meeting in September 2020.

### BACKGROUND PAPERS

Please note that copies of background papers have not been published on the Council's website [www.eastsuffolk.gov.uk](http://www.eastsuffolk.gov.uk) but copies of the background papers listed below are available for public inspection free of charge by contacting the relevant Council Department.

| Date       | Type  | Available From         |
|------------|---|------------------------|
| 2020       | East Suffolk Council Strategic Plan 2020 - 2024 | Head of Internal Audit |
| 2020       | Strategic Service Plans                         |                        |
| 2020       | Corporate Risk Register                         |                        |
| April 2017 | Public Sector Internal Audit Standards          |                        |