**Report of Corporate Assurance Manager**

**To**

**GOVERNANCE AND STANDARDS COMMITTEE**

**On**

**17 March, 2021**

# **INTERNAL AUDIT PLAN FOR APRIL – JUNE 2021**

##### **SUMMARY**

* 1. The proposed Internal Audit Plan (Plan) for the period 1 April – 30 June 2021 is enclosed as Table 1 for approval.
  2. The revised Internal Audit Charter is attached as Appendix 1 for approval

#### **2. RECOMMENDATIONS**

1. That the Internal Audit Plan for the period 1 April – 30 June 2021 be approved
2. That the revised Internal Audit Charter be approved

#### **3. BACKGROUND**

3.1 The Plan detailed in Table 1 below has been compiled by the Corporate Assurance Manager in accordance with the approved Internal Audit Charter to ensure compliance with the Public Sector Internal Audit Standards.

3.2 The Plan has been compiled using the flexible approach that was adopted during 2020/2021 and has been produced using the following supporting evidence:

* Internal Audit’s risk assessment module as at March 2021
* Assurance mapping of strategic risks
* Consultation with the Corporate Leadership Team
* External Audit’s Horizon Scanning report
* Benchmarking of other authorities Audit Plans

3.3 Due to the rollout of a further set of Covid-19 business grants from April 2021, the focus of audit resources will need to continue to be on validation of these grants during this period.

3.4 In addition audit will need to focus significant resources upon the annual validation of the Benefit Subsidy Claim.

**Table 1: Proposed Internal Audit Plan for 1 April – 30 June 2021**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Priority** | **Title** | **Key Areas: Assurance / Risk / Performance Validation** | **Timing** | **Days Allocated** |
|  | **Corporate Assurance** | | | |
| High | Corporate Risk & Opportunity Management | Review of the Council’s Corporate Risk and Opportunity Management strategy and the Strategic Risks & Opportunities Register | April & May 2021 | 4.00 |
| High | Procurement Arrangements | Revising / aligning the Council’s Contract Procedure Rules and accompanying procurement guidance / effective delivery of client management arrangements in respect of the contract with Nottingham City’s Procurement Service / launch of the Council’s Procurement Strategy / delivery of training | Whole period | 10.00 |
| High | Governance & Standards Committee Support & Member Training | Reports for Committee / attendance at meetings / follow up of audit recommendations / training of members on relevant governance issues / responses to member questions | Whole Period | 3.00 |
| **Priority** | **Title** | **Key Areas: Assurance / Risk / Performance Validation** | **Timing** | **Days Allocated** |
| High | Governance Reviews & Assurance Framework | Assessment of compliance with the Council’s Code of Corporate Governance / preparation of Annual Governance Statements / evaluation of the Council’s ethical governance arrangements | Whole period | 5.00 |
| High | Counter Fraud Arrangements & NFI | Assessment of the Council’s counter fraud arrangements / Development of Corporate Counter Fraud Plan / delivery of Internal Audit’s counter fraud testing programme which is linked to the Council’s Fraud Risk Register / key contact responsibilities for NFI | Whole Period | 5.00 |
|  | **Integrity of Management Information** | | | |
| High | Housing Benefit Subsidy Claim | Validation of key controls in Benefits system / transactional testing/ support to external claim auditors | May & June 2021 | 20.00 |
| **Priority** | **Title** | **Key Areas: Assurance / Risk / Performance Validation** | **Timing** | **Days Allocated** |
|  | **Support & Development** | | | |
| - | Covid-19 Related / Consultancy & Special Investigations | Support to management as required as part of Covid-19 recovery period / end of year close down / professional independent advice on audit / governance arrangements as required by Council Rules and Regulations or requested by management  Completion of 2020/2021 planned reviews to inform the Corporate Assurance Manager’s opinion & Annual Governance Statement  Special investigations carried out into alleged instances of fraud / corruption or financial malpractice | Whole Period | 25.00 |
|  | **TOTAL DAYS** |  |  | 72.00 |

#### **Internal Audit Charter**

3.5 An Internal Audit Charter is a formal document that defines internal audit’s purpose, authority, responsibility and position within an organisation. The Internal Audit Charter describes how internal audit will provide value to the organisation, the nature of the services it will provide and the specific focus or emphasis required of internal audit to help the organisation achieve its objectives.

3.6 Having an Internal Audit Charter also establishes the internal audit activity’s position within the organisation, including reporting lines, authorising access to records, personnel and physical properties relevant to the performance of engagements.

3.7 The enclosed Charter as Appendix 1 has been revised in respect of the new flexible audit planning approach that was adopted during 2020/2021 and also updated job titles.

3.8 In order to comply with the Public Sector Internal Auditing Standards, it is the responsibility of the Governance and Standards Committee to approve the Internal Audit Charter on an annual basis.

#### **4. OPTIONS AVAILABLE**

Internal Audit Plan for 1 April – 30 April 2021

#### 4.1 The option available is to either approve the Plan or recommend changes to it.

Internal Audit Charter

4.2 The option available is to either approve the Charter or recommend changes to it

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**5** **RISK ASSESSMENT OF RECOMMENDATIONS AND OPTIONS**

5.1 The Public Sector Internal Audit Standards will not be fully complied with unless the Corporate Assurance Manager produces an Internal Audit Plan and gets it approved by the Governance & Standards Committee

#### **6 ALIGNMENT TO COUNCIL PRIORITIES**

6.1 The need to maintain an effective Internal Audit Service is fundamental to any Council as it endeavours to meet its priorities

#### **7 IMPLICATIONS**

(a) Relevant Legislation

Regulation 5 of the Accounts and Audit Regulations 2015 specifically requires that a relevant body 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

(b) Human Rights

The Human Rights Act 1998 is not engaged as no particular individual is directly affected by the decision

(c) Equality and Diversity

An impact assessment has been completed and it concludes that the proposed actions are fair and equitable in their content and are not discriminative on the grounds of equality and human rights

(d) Climate change and environmental sustainability

The proposed actions in the report do not have any environmental implications and have no effect on the climate

(e) Crime and Disorder

There are no implications for crime and disorder

(f) Budget/Resource

There are no implications

**8** **COMMENTS OF STATUTORY OFFICERS**

Monitoring Officer – the ongoing development and regular review of the audit plan and charter forms an important part of the Council’s governance assurance.

Section 151 Officer – no specific comments

**9 CONSULTATION**

9.1 The Plan has been circulated to the Corporate Leadership Team to ensure effective focus on service risks and that added value is optimised with emphasis upon assisting the organisation in achieving its objectives.

**10 BACKGROUND PAPERS**

None

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