
REPORT OF THE CHIEF FINANCE OFFICER
AND
HEAD OF INTERNAL AUDIT

TO THE AUDIT & ACCOUNTS COMMITTEE
ON Wednesday 26th June 2019

TITLE: ANNUAL STRATEGY AND INTERNAL AUDIT PLAN - 2019/20

RECOMMENDATIONS:

Members are requested to review and comment on the Internal Audit Strategy and Plan for 2019/20 attached at Appendix 1.

EXECUTIVE SUMMARY:

This report advises Members of the internal audit strategy and work plan, developed for the financial year 2019/20.

The Public Sector Internal Audit Standards note that the internal audit plan should incorporate or be linked to a strategic or high-level statement of how the internal audit service will be delivered and developed in accordance with the internal audit charter.

This Internal audit strategy sets out how internal audit produces the plan of work and resources that work. It links with the Internal Audit Charter and Quality Assurance and Improvement Programme.

The internal audit plan is risk-based, and takes into account information from various sources such as Service Group risk registers, discussions with Strategic Directors, previous years' work, and those pieces of work expected of Internal Audit by the council's External Auditors.

At an aggregate level, the strategy and plan are designed to provide a degree of assurance to the Audit & Accounts Committee that the council's key risks are being managed appropriately.

Internal Audit will update Members on an on-going basis throughout the year by means of regular Progress Reports and Audit Committee Summaries.

BACKGROUND DOCUMENTS:

- Public Sector Internal Audit Standards - Applying the IIA International Standards to the UK Public Sector.
- Internal Audit Charter
- Quality Assurance and Improvement Programme
- Audit Management Information System
- Risk Registers

KEY DECISION: NO

DETAILS: N/A

KEY COUNCIL POLICIES: N/A

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS: N/A

ASSESSMENT OF RISK:

The Internal Audit Plan is primarily determined from Strategic and Service Group Risk Registers, key concerns raised by Service Groups, and requirements placed on Internal Audit by regulation. This approach is aimed at giving assurance regarding the management of the City Council's key business risks.

LEGAL IMPLICATIONS Supplied by: Nicky Smith, Senior Solicitor

Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and to secure that one of their officers has responsibility for the administration of those affairs.

The Accounts and Audit Regulations 2015 also require authorities to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

In that regard, the Public Sector Internal Audit Standards are mandatory for all internal auditors working in the UK public sector and require a Council's chief audit executive to establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals.

The risk-based plan must take into account the requirement to produce an annual internal audit opinion and the assurance framework. It must incorporate or be linked to a strategic or high-level statement of how the internal audit service will be delivered and developed in accordance with the internal audit charter and how it links to the organisational objectives and priorities.

FINANCIAL IMPLICATIONS Supplied by: Jean Gleave (Head of Internal Audit)

The Internal Audit work detailed within this report is funded from within the existing budget allocation in the revenue budget.

PROCUREMENT IMPLICATIONS Supplied by: Christine Flisk (Procurement Manager)

There are no known procurement implications with this report.

HR IMPLICATIONS: Supplied by: Catherine Sharples (HR Manager)

There are no known HR implications with this report.

OTHER DIRECTORATES CONSULTED: All Service Group Strategic Directors and Corporate Management Team

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WARDS TO WHICH REPORT RELATES: N/A
