

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
SHARED HEAD OF INTERNAL AUDIT	AUDIT AND STANDARDS COMMITTEE	23 JULY 2020	9
REVISED INTERNAL AUDIT PLAN 2020-21			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The 2020/21 Internal Audit Plan was compiled in consultation with Directors and Heads of Service following a detailed risk assessment and was due to be presented to the Audit and Standards Committee in March 2020. Since then as a result of COVID 19, the Internal Audit Team have been re-deployed so therefore a revised plan has been compiled to reflect the changes to date and the audits it is anticipated will be achievable in order to be able to produce an audit opinion as required by the Public Sector Internal Audit Standards.

RECOMMENDATION

That the Committee approves the Revised Internal Audit Plan 2020/2021.

SUMMARY OF PREVIOUS DECISIONS

None

CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services (Value for Money)	✓
Delivering the services that customers expect of an excellent council (Clean and Green)	✓
Working with all partners (Vibrant Economy)	✓
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	✓
Promoting Fylde as a great destination to visit (A Great Place to Visit)	✓

BACKGROUND

- The terms of reference of the Audit & Standards Committee include the wording: "To approve the risk-based internal audit plan, including resource requirements and the approach to using other sources of assurances and any work required to place reliance upon those other sources".
- Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN) (CIPFA 2013) Professional standards for Internal Audit in local government specify that "The Chief Audit Executive (the Head of Internal Audit) must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals."

3. The standards also specify that “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 organizational objectives and priorities.

THE ROLES OF MANAGEMENT AND INTERNAL AUDIT

4. The responsibility for implementing a strong system of governance and internal control within the Council lies primarily with management. Directors and Heads of Service need to ensure that they maintain effective control procedures not least because services and business systems are subject to on-going change.
5. 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.

REVISED 20/21AUDIT PLAN

6. The 2020/21 Internal Audit Plan which was originally compiled in preparation to commence in April 2020 onwards contained the programme of reviews for the next financial year. However, in late March 2020, as a result of COVID 19, the Internal Audit Team were re-deployed full time to work on the Small Business Grants & Retail, Hospitality and Leisure Grants issued by the Department for Business Energy and Industrial Strategy As a result of this, the Audit Plan has been revised to reflect the following factors:
 - A total of 175 days has been allocated to COVID 19 support work. It is anticipated that this consist of processing and administering the Business Support Grants and post assurance work which will be required by central government. The detail of this is only starting to filter through to local authorities. In addition, to the support work, we are also providing advice and guidance to any services who have had to implement service specific arrangements to ensure continued service delivery during this time. It is expected that this work will continue throughout the summer.
 - An assumption has been made that audit work will be able to commence in the early autumn and the reviews highlighted in the Revised Internal Audit Plan will be undertaken between September 2020 and March 2021.
7. The Audit Plan is shown at Appendix A and includes the following areas which will be subject to audit coverage in 2020/21 which were identified following an assessment of audit need by considering a range of factors, such as significant changes in staffing, systems and procedures, the length of time since an area was last audited and items in the Corporate Plan and Strategic Risk Register.

Corporate

- Undertaking corporate and service level governance reviews in support of the Annual Governance Statement.
- Review and update of Anti-Fraud and Corruption Policies.
- Co-ordinating the Council’s input to the Cabinet Office National Fraud Initiative (NFI) 2020 exercise for in order to identify any potential irregularities.

Risk based reviews of the following systems:

- Data Sharing Protocols
- Housing Benefit
- Treasury Management
- Capital Programme
- Critical Application Review
- Mobile Devices
- Plant & Equipment Inventories
- Property repairs and maintenance
- Car Parks
- Section 106

Project Management Support

- Fairhaven Lake (HLF)
- Capital programme project support

General Areas

- Following up management actions agreed in earlier audit reports.
 - Responding to requests from management for unplanned reviews / investigations.
 - Finalising 19/20 reviews completing the reviews outstanding at the time of redeployment.
 - Compliance with the Public Sector Internal Audit Standards (PSIAS)
 - System administrator responsibilities for risk management system (GRACE).
 - Preparing reports for and attending the Audit and Standards Committee.
8. The reviews removed from the original 20/21 are highlighted in red on Appendix A and will be carried forward to the 21/22 Internal Audit Plan. It should be noted however that if the situation changes and we are able to undertake audits at an earlier than anticipated date, a further revised plan will be presented to the Committee at the earliest opportunity.

AUDIT DAYS

9. The Internal Audit Plan for 2020/21 is based on a resource of **402 audit days**. This is the number of chargeable days available within the existing budget (after deducting annual leave and other non-chargeable time). It comprises of a mix of in-house and bought-in resources.
10. As and when each individual audit review is undertaken, any sources of external assurance are always considered and the reliance we can place on this is highlighted in the individual report.

IMPLICATIONS	
Finance	None arising from this report
Legal	There are no legal implications arising from this report, however the provision of an Internal Audit Service is a requirement of the Accounts and Audit Regulations 2015.
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	There are no Health and Safety implications arising from this report. The Audit Plan has been developed using a risk based approach.

LEAD AUTHOR	CONTACT DETAILS	DATE
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BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Internal Audit Risk Assessment	11 th Feb 2020	Internal Audit Office, Town Hall

Attached documents

Appendix A – Internal Audit Plan