

Portfolio	Finance
Ward(s) Affected:	n/a

Purpose

To consider and approve the 2019-20 Annual Plan for the Internal Audit service

1. Background

1.1 The Accounts and Audit Regulations require local authorities to maintain an adequate and effective system of internal audit of accounting records and of the system of internal control, in accordance with internal audit Standards. An Annual Plan for Internal Audit demonstrates how the Council will fulfil this requirement in accordance with the Public Sector Internal Audit Standards.

2. The Annual Plan

2.1 The Annual Plan is a proposed work programme for the Internal Audit service for the next financial year. A copy of the plan is attached at Annex A, and covers the period April 2019 to March 2020. The Plan is a combination of reviews that are conducted every year, together with those audits that are undertaken less regularly such as ad hoc pieces of work, or audits conducted every 3 years.

2.3 The Plan is based on the audit Strategic Plan, the 3-year medium term plan which is agreed at Members and senior officer level. This is the last year of the 3-year plan as it expires in March 2020.

3. Resourcing

3.1 A total sum of 430 officer days will be required to deliver the Plan, and this doesn't take into account days off for annual leave, bank holidays and staff training. There are currently two FTE members of the audit team, a fully qualified Senior Auditor and a part qualified auditor. Additional resources may be brought in should it be necessary and after consultation with management.

4. Requirements of External Audit

4.1 The Annual Plan includes a range of audits that have been required by the Council's external auditors in the past who have placed reliance on the work undertaken by Internal Audit as part of their audit of the Council's set of accounts. We understand that the external auditors reserve the right to re-perform or undertake additional testing in the areas that internal audit have reviewed such as debtors and creditors. Potentially this could lead to an additional cost to the Council.

5. Monitoring and reporting

5.1 Progress against the Annual Plan is monitored throughout the year and reported to senior management and to Members every July at Audit and Standards. Material changes to the plan will be discussed and agreed in advance with the Executive Head and the Section 151 Officer as necessary.

5.2 Significant risks and findings identified by Internal Audit during the course of the year will be brought to the attention of the Chief Executive, the Section 151 Officer and senior management, and reported to Audit & Standards committee. Significant risks are also brought to the attention of the Council's Corporate Risk Management Group and considered for inclusion in the Corporate Risk Register, which is updated on an annual basis. Internal Audit recommendations are followed up and any that have not been implemented or discharged in line with agreed timescales are reported to senior management and the Audit & Standards committee.

6. Corporate Plan

6.1 The work of Internal Audit supports the Council's Corporate Annual Plan and helps to meet its corporate objectives and key priorities. The Internal Audit service is also an integral part of the Council's performance management system.

7. Resource implications

7.1 There are no resource implications arising from this report.

8. Recommendation

8.1 Members are asked to note and agree the internal audit Annual Plan for 2019-20.

Annex A: Annual Plan for 2019-20

Background Papers: None

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