

**Purpose**

**To approve a three-year Strategic Plan for the Council's Internal Audit service.**

**1 Background**

- 1.1 The Internal Audit Strategy has been prepared with the aim of directing the internal audit function over a three - year period, ensuring audit coverage is as wide as possible, taking into account past audit activity as well as future business priorities and risk landscape.
- 1.2 In accordance with best practice as identified in the Public Sector Internal Audit Standards which applies the IIA International Standards to the UK public sector.

The Internal Audit Strategy has been produced with the purpose of:

- Providing an opinion on the internal control environment to support the completion of the Annual Governance Statement
- Preparing audit plans that give suitable priority to the Council's objectives and key risks and concentrate resources on areas that have been identified as being the most vulnerable
- Agreeing actions with managers at the conclusion of each piece of audit work that will assist in maintaining internal control, ensure continuous service improvement and reduce risk
- Contributing to the Council's performance management system by reporting performance and progress to CMT and to Members at the Audit & Standards committee
- Identifying the audit resources required to deliver an effective audit service that is both affordable and proportionate as well as meeting all required professional standards as well as current legislation

**2. The Strategic Plan**

- 2.1 The 3 year plan has been prepared based on a set of criteria namely:
- The contents and risks identified within the Corporate Risk Register that is updated annually
  - Materiality – the level of income and expenditure projected in the Council's financial accounts
  - Emerging risk landscape- new and forecasted major risks affecting the public sector
  - Audit history – the frequency and date individual audits were last carried out

- Control environment – the quality of the control environment including, reliance on key personnel, poor audit opinions in the past, previous fraud or control weaknesses, high staff turnover, new computer systems
- Growth areas identified in the Council's medium term strategy, and any new areas of work eg. new financial borrowing, property acquisitions, joint waste
- Emergency and business continuity – whether the service has been designated as a critical activity

### **3. Integrated Assurance**

3.1 The Council's management team together with Members receive their in year assurance from various providers including personnel excellence providers such as Investors in People, the Health and Safety Executive, and the Council's external auditors, BDO. The work of internal audit compliments the integrated assurance provided to the authority.

### **4. Corporate Plan**

4.1 The work of Internal Audit supports the Council's Annual Plan and meeting its corporate objectives and key priorities.

### **5. Resource implications**

5.1. There are no resource implications arising from this report.

### **6. Recommendation**

6.1 Members are asked to note and agree the internal audit 3-year Strategy for 2020-23

Annex: Annex 3 Year Strategy 2020-23

Background Papers: None

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