

SUBJECT:	INTERNAL AUDIT PLAN 2021/22 REVIEW
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHOR:	JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

1.1 To advise Audit Committee of a change in the number of days in the Audit Plan and to seek views on audit coverage in the second half of the year and to approve the revised Audit Plan for 2021/22.

2. Background

2.1 The Internal Audit Plan should focus on the key risks facing the Council and support the annual Head of Internal Audit opinion. The plan should achieve a balance between setting out the planned work for the year and retaining flexibility to changing risks and priorities during the year. This is undertaken through a regular review of any changing activity and risks.

2.2 The Annual Audit Plan is developed using a combination of:

- the Council's Combined Assurance Model
- an assessment of risk - based on the significance and sensitivity of key activities
- consultation with Senior Management
- issues raised by the Audit Committee

2.3 Using the Combined Assurance Model helps streamline and avoid duplication of effort where assurances can be drawn from other sources. The Combined Assurance Model provides coverage of all areas – not just those from Internal Audit.

2.4 Planning work takes into account the relative risks of the activity and combined assurance outcomes. Cyclical work is also undertaken on due diligence areas particularly around financial and governance systems.

2.5 Internal Audit continues to have the right to conduct its own assurance activity freely and independently to meet its role and remit – even if there appears to be a good level management or alternative assurance in place.

2.6 The Internal Audit Plan, together with the combined assurance work, enables the Internal Audit Manager to provide an annual Head of Internal Audit report and opinion around governance, risk and control.

3. Reduced Resources in 2021/22

- 3.1 Following the departure of the Audit Manager the current Audit Plan (attached) needs to be amended to reflect a lower level of resource.
- 3.2 The resource shortfall to the end of the financial year is estimated to be 75 days.
- 3.3 To balance this shortfall 45 days of audit work is to be bought in from Julia Raftery Consulting Ltd and 30 days will be deferred from the Audit Plan until 2022/23. However, if the AM position is filled some (or all) of these audits may be able to be reinstated.
- 3.4 Recruitment to the AM position is currently in progress, a verbal update will be provided at the Audit Committee meeting.

4. Audit Plan 2021/22 Amendments

- 4.1 Set out below are audits, as per the original 2020/21 Audit Plan (attached), that have been either been completed, are in progress, have not yet been started or are suggested for deferral.
- 4.2 Completed
 - Housing Benefit & Council Tax Support
 - Corporate Governance Code review
 - Housing Benefit Subsidy
- 4.3 Not yet started – to be undertaken by Internal Audit/Raftery Consulting/Audit One (IT Auditor):
 - Planned Maintenance (to be undertaken externally)
 - Town Deal (to be undertaken externally)
 - Stores (to be undertaken externally)
 - Performance Management ((to be undertaken externally)
 - Leisure Centres (to be undertaken externally)
 - Health & Safety Risk Assessments
 - IT Programme & Project Management (with some Audit One input)
 - IT DR (Audit One to do)
 - Combined Assurance
- 4.4 Proposed to be deferred until 2022/23 Audit Plan:
 - Medium Term Financial Strategy
 - Western Growth Corridor
 - Housing Repairs
 - Partnership Governance – this work is now being undertaken by the Chief Finance Officer as there is a requirement to complete by March 2022.
- 4.5 Other areas of work that will be undertaken include Counter Fraud, External Quality Assessment, Advice, Recommendation Follow up, Audit Committee reports & support, IA Strategy & Plan 2022/23, and general audit management.

4.6 The revised plan focuses on core financial audits and other key areas to enable internal audit to provide an annual opinion on the governance, risk and control environment at the year end.

5. Strategic Priorities

5.1 The Internal Audit Service and Plan contributes to the Council's strategic priorities, by helping to manage risk and achieve its objectives.

6. Organisational Impacts

6.1 Finance – The costs incurred through the outsourcing of a number of audits in the Annual Plan will be funded through the vacancy savings accruing until a new Internal Audit Manager is appointed.

6.2 Legal Implications including Procurement Rules - The Council is required under the Accounts and Audit Regulations 2011 to maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control.

6.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities.

Due to the nature of the report, no specific Equality Impact Analysis is required.

7. Recommendation

7.1 Audit Committee are asked to consider the proposed amendments to the Audit Plan, identify any amendments which is considers appropriate, and approve a revised plan for the year.

Key Decision	No
Do the Exempt Information Categories Apply?	No
Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No

How many appendices
does the report contain?

One

List of Background Papers:

None

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