

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF AUDIT & GOVERNANCE COMMITTEE ON 25 FEBRUARY 2021

PART A : REPORT

SUBJECT: Annual Internal Audit Plan 2021/22

REPORT AUTHOR: Stephen Pearse, Internal Audit Manager

DATE: January 2021

EXTN: 37561

PORTFOLIO AREA: Corporate Support

EXECUTIVE SUMMARY:

Each year Internal Audit is required to develop an annual audit plan for the following financial year, for agreement by the Audit & Governance Committee

RECOMMENDATIONS:

Members of the Audit & Governance Committee are requested to agree the outline Annual Internal Audit Plan

1. BACKGROUND:

Each year Internal Audit is required to develop an annual audit plan for the following financial year.

This provides the opportunity for the Internal Audit Manager, in consultation with senior managers within the Authority and with members of the Audit & Governance Committee, to determine where best the limited resources available to Internal Audit should be directed. In order to prepare the plan, consideration has been given to accepted best practice, as promulgated by both CIPFA and the Chartered Institute of Internal Auditors.

The section has continued to operate with 2 FTE with the focus on mandatory and high priority work. As advised to the Committee via other reports, progress against the agreed 2020/21 plan has been significantly impacted by the need for resources to be directed to unplanned, high priority work (as agreed with the Group Head of Corporate Support) in relation to Covid-19 issues.

At the time of writing, a further national lockdown has commenced. The earliest likely review point for this is mid-February 2021 but even with possible relaxation of measures after this it is expected that work on Covid-related items (primarily assurance checks on grant payments made) will still be required in the 2021/22 financial year and an estimate will therefore be included in the Plan.

The outline plan presented is based upon the current 2 FTE (as at January 2021). However, consideration must be given to resourcing for the future and it is anticipated that there will be some change in 2021 while the future Internal Audit resource arrangements are finalised. There will also be a reduction in days available in 2021/22 owing to significant carry-over of annual leave (c.25 days) caused by the pandemic.

As at the start of 2021, there are still a number of Council strategies (e.g. Customer Access, Digital, etc.) to be progressed / completed that may result in work for the section. There also remains considerable uncertainty regarding a number of areas e.g.:-

- the Council's ongoing financial position, as impacted by central Government policy / funding changes, potential knock-on effects from cuts elsewhere e.g. WSCC and from the financial effects of the Covid-19 pandemic
- the Council's 'future ways of working'
- new / changed initiatives as a result of the revised Strategic Targets for the period 2019-2023 adopted by the Council.

These may require further operational changes to meet new and changed requirements / legislation.

In view of this, an outline-only plan is attached for the agreement of the Committee and there will again need to be considerable flexibility through the year as to the assignment of resource to specific tasks. As agreed with senior management, a number of areas have been include in the Plan where it is currently anticipated that work will be required (timing, approach and scope to be agreed) at some stage in the year. These will be accommodated within the proposed outline plan and reports on the progress of work being undertaken will be provided to meetings of the Audit & Governance Committee through the year, as is currently the case.

Should there be a significant change during the year in the work to be undertaken by the section or in the resource available to it, then a revised Plan will be prepared and advised to the Committee.

2. PROPOSAL(S):

It is proposed that the Committee agrees the outline Annual Internal Audit Plan for 2021/22

3. OPTIONS:

To agree the outline Annual Internal Audit Plan for 2021/22, or not

4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓
Other groups/persons (please specify)		✓

5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial		✓
Legal		✓
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability		✓
Asset Management/Property/Land		✓
Technology		✓
Other (please explain)		✓
6. IMPLICATIONS:		

7. REASON FOR THE DECISION: The Committee agrees the outline Annual Internal Audit Plan for 2021/22

8. BACKGROUND PAPERS: N/A
