

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Head of Internal Audit

To: Governance and Audit Committee, 14 March 2019

Author: Emma Hodds, Head of Internal Audit
Faye Haywood, Internal Audit Manager

Subject: Strategic and Annual Internal Audit Plans 2019/20

Purpose: This report provides an overview of the stages followed prior to the formulation of the Strategic Internal Audit Plan for 2019/20 to 2021/22 and the Annual Internal Audit Plan for 2019/20.
The Annual Internal Audit Plan will then serve as the work programme for the Council's Internal Audit Services Contractor; TIAA Ltd.
It will also provide the basis for the Annual Audit Opinion on the overall adequacy and effectiveness of South Holland District Council's framework of governance, risk management and control.

Recommendation(s):

- 1) That the Committee notes and approves:
 - a) the Internal Audit Charter
 - b) the Internal Audit Strategy for 2019/20;
 - b) the Strategic Internal Audit Plans 2019/20 to 2021/22; and
 - c) the Annual Internal Audit Plan 2019/20.

1.0 BACKGROUND

- 1.1 The Accounts and Audit Regulations 2015 require that "a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".
- 1.2 Those standards are set out in the Public Sector Internal Audit Standards (PSIAS) which came into effect in April 2013.
- 1.3 The attached report contains;
 - the Internal Audit Charter which formally defines the internal audit's purpose, authority and responsibility, and is a mandatory document;
 - the Internal Audit Strategy, which is a strategic high level statement on how the internal audit service will be delivered and developed in accordance with the charter and how it links to the organisational objectives and priorities;
 - the Strategic Internal Audit Plan, which details the plan of work for the next three financial years; and
 - the Annual Internal Audit Plan, which details the timing and the purpose of each audit agreed for inclusion in 2019/20.

2.0 REASONS FOR RECOMMENDATION(S)

2.1 The risk-based internal audit plans will add real value to the Council, have a defined and specific scope for each review and ensure that risks in relation to the service area are being reviewed by Internal Audit, thus enabling best practice to be followed.

3.0 EXPECTED BENEFITS

3.1 The Council's key business risks will be addressed by Internal Audit, thus ensuring that appropriate controls are in place to mitigate such risks and also ensure that the appropriate and proportionate level of action is taken.

3.2 The Internal Audit Service will be seen to add value, become a useful management tool and link more directly to the Council's risk management processes

4.0 IMPLICATIONS

4.1 Corporate Priorities

4.1.1 Internal Audit helps to ensure that the service areas and risks reviewed are working towards the efficient and effective delivery of the Council's corporate priorities.

4.2 Financial

4.2.1 The Internal Audit Service is provided by way of a Partnership Agreement with South Norfolk Council, whereby South Norfolk Council provide the role of the Head of Internal Audit and Contract Manager to South Holland District Council, and the service provision i.e. delivery of the audits, is provided through a contract with TIAA Ltd. The 2018/19 plans have been set within the approved budget.

4.3 Risk Management

4.3.1 The Risk Based Internal Audit approach will ensure that the Council's key risks are accurately reviewed and updated and thus the Internal Audit Service is adding value and auditing the key risk areas.

4.4 Stakeholders / Consultation / Timescales

4.4.1 The Strategic and Annual Internal Audit Plans for 2019/20 have been consulted upon with Senior Managers, the Executive Management Team and External Audit, prior to coming to the Committee.

Background papers: None

Lead Contact Officer

Name and Post: Emma Hodds, Head of Internal Audit
Telephone Number: 01508 533791
Email: ehodds@s-norfolk.gov.uk

Director / Officer who will be attending the Meeting: Emma Hodds, Head of Internal Audit and Faye Haywood, Internal Audit Manager

Key Decision: No

Exempt Decision: No

Appendices attached to this report: Strategic and Annual Internal Audit Plans 2019/20