

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Head of Internal Audit

To: Governance and Audit Committee, 29 July 2021

Author: Emma Hodds, Head of Internal Audit
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Subject: Strategic and Annual Internal Audit Plans 2021/22

Purpose: This report provides an overview of the stages followed prior to the formulation of the Strategic Internal Audit Plan for 2021/22 to 2024/25 and the Annual Internal Audit Plan for 2021/22.

The Internal Audit Plan provides 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 2021/22;
 - c) the Strategic Internal Audit Plans 2021/22 to 2024/25; and
 - d) the Annual Internal Audit Plan 2021/22.

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;
 - o the Internal Audit Charter, covering purpose, authority and responsibility;
 - o 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;
 - o the Strategic Internal Audit Plan, which details the plan of work for the next three financial years; and
 - o the Annual Internal Audit Plan, which details the timing and the purpose of each audit agreed for inclusion in 2021/22.

2.0 REASONS FOR RECOMMENDATION

2.1 The risk-based internal audit plan will add value to the Council, ensuring 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 audited by Internal Audit, thus ensuring that appropriate controls are in place to mitigate key risks and ensure that the appropriate and proportionate level of action is taken to improve the Councils governance, risk management and control framework.

4.0 IMPLICATIONS

4.1 Corporate Priorities

4.1.1 Internal Audit helps to ensure that management of key risks assists in 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 Internal Audit Manager to South Holland District Council, and the service provision i.e. delivery of the audits, is provided through a contract with TIAA Ltd. Assurance on key financial controls is provided by Audit Lincolnshire. The 2021/22 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 2021/22 have been consulted upon with Senior Managers, prior to coming to the Committee.

Background papers: None

Lead Contact Officer

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Director / Officer who will be attending the Meeting: Faye Haywood, Internal Audit Manager

Key Decision: No

Exempt Decision: No

Appendices attached to this report: Strategic and Annual Internal Audit Plans 2021/22