

Finance and Audit Scrutiny Committee  
30 September 2020

**Title: Revised Internal Audit Plan 2020/21**

**Lead Officer: Richard Barr**

**Portfolio Holders: Councillor Hales**

**Public report / Confidential report: No**

**Wards of the District directly affected: Not applicable**

Contrary to the policy framework: No

Contrary to the budgetary framework: No

Key Decision: No

Included within the Forward Plan: Yes

Equality Impact Assessment Undertaken: Not applicable

Consultation & Community Engagement: Consultation with line management and SMT. None with community.

Final Decision: Yes.

**Officer/Councillor Approval**

<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	7 Sept 2020	Chris Elliott/Andrew Jones
Head of Service	7 Sept 2020	Mike Snow
CMT	7 Sept 2020	Chris Elliott/Andrew Jones/Bill Hunt
Section 151 Officer	7 Sept 2020	Mike Snow
Monitoring Officer	7 Sept 2020	Andrew Jones
Finance	7 Sept 2020	Mike Snow
Portfolio Holder(s)	15 Sept 2020	Councillor Hales

1 **Summary**

- 1.1 The report presents revisions to the Internal Audit Plan for 2020/21. Major updating of the original Plan is necessary due to the consequences of the Coronavirus Pandemic.

2 **Recommendation**

- 2.1 That Committee approves the revisions to the Internal Audit Plan 2020/21.

3 **Reason for the Recommendation**

- 3.1 The Internal Audit Plan is an important element in providing the required independent and objective opinion to the organisation on its control environment, in fulfilment of statutory duties.

4 **Policy Framework**

4.1 **Fit for the Future (FFF)**

- 4.1.1 The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

- 4.1.2 The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council's website](#). The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

4.2 **FFF Strands**

4.2.1 **External impacts of proposal(s)**

**People - Health, Homes, Communities**

**Services - Green, Clean, Safe**

**Money- Infrastructure, Enterprise, Employment**

Although there are no direct policy implications, internal audit is an essential part of corporate governance and will be a major factor in shaping the Policy Framework and Council policies.

4.2.2 **Internal impacts of the proposal(s)**

**People - Effective Staff**

**Services - Maintain or Improve Services**

**Money - Firm Financial Footing over the Longer Term**

Although there are no direct policy implications, internal audit is an essential part of corporate governance and will be a major factor in shaping the Policy Framework and Council policies.

### 4.3 **Supporting Strategies**

4.3.1 Each strand of the FFF Strategy has several supporting strategies but description of these is not relevant for the purposes of this report.

### 4.4 **Changes to Existing Policies**

4.4.1 This section is not applicable.

### 4.5 **Impact Assessments**

4.5.1 This section is not applicable.

## 5 **Budgetary Framework**

5.1 Although there are no direct budgetary implications arising from this report, Internal Audit provides a view on all aspects of governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.

## 6 **Policy Framework**

6.1 Although there are no direct policy implications, Internal Audit provides a view on all aspects of governance and will take into account the Council's policies.

## 7 **Risks**

7.1 Internal Audit provides a view on all aspects of governance, including corporate and service arrangements for managing risks.

## 8 **Alternative Options Considered**

8.1 This section is not applicable.

## 9 **Background: Internal Audit Plan**

9.1 The original Internal Audit Plan for 2020/21 was approved by SMT on 17 February 2020 and by Finance and Audit Scrutiny Committee on 19 March 2020.

9.2 The onset of the Coronavirus Pandemic, impacting on the Council from March, has meant that the Internal Audit Plan has had to be revised. There are two principal reasons for this – Internal audit staff being assigned to other tasks and less efficient working arrangements.

## Agenda Item 6

- 9.3 In response to the Coronavirus Pandemic, Internal Audit staff have been and will continue to be, albeit to a lesser extent, assigned to various other tasks - some of an audit or investigatory nature, others completely unrelated to auditing or investigating. The former includes pre and post payment checks of business grants. The latter includes working at the Shielding Hub in Whitnash, established to deliver provisions to people needing to shield.
- 9.4 Current working arrangements are not as productive as those in place before the Pandemic. The loss of direct contact with auditees and the lack of a presence at Riverside House are not conducive to auditing efficiently. Inferior working arrangements (primarily accommodation, furniture and IT equipment) have also been factors affecting productivity as has been the absence of colleagues which impedes the quick resolution of queries, especially important for less experienced staff (Internal Audit now comprises two members of staff who, although proving to be excellent appointments, have less than two years' experience between them). It is still possible to perform audits but, in the main, not as efficiently.
- 9.5 The current working arrangements are anticipated to continue for at least the short term and the revised Plan takes this into account.
- 9.6 To help inform the changes required to the Audit Plan Service Area Managers were requested to complete a short survey. Completion of the survey would enable the highlighting of changes to services and to the control environment in which the services operate. In the absence of any responses to this request for information, Internal Audit has had to use its own judgement to update the Plan. Two main factors were taken into account in deciding which assignments should remain in this year's Audit Plan and which can be deferred - the assessment from the previous audit and the length of time since the activity was last audited.
- 9.7 Appendix 1 sets out all the original planned audits for 2020/21 analysing the current status of each audit, the original target days, the actual number of days spent to date (to 16 August), the remaining number of days and the proposed number of days for the revised Plan. There is also a 'notes' column that records some basic information about each assignment - in particular whether it is to be completed (or is already complete) or whether it is to be deferred. The assignments are also colour-coded with green signifying that the assignment is to be completed this year and orange signifying that it is to be deferred.
- 9.8 The appendix also details other activities undertaken by the Internal Audit team under the same headings as detailed above. This helps to show where time has been spent and why it is no longer possible to complete all the original planned audits.
- 9.9 The revised Internal Audit Plan was approved by SMT on 7 September.