

Committee: Governance, Audit and Performance Committee

Date:

Tuesday, 24 March 2020

Title: Draft Internal Audit Work Programme 2020/21

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Summary

1. The purpose of this report is to present to Members the details of the proposed draft Internal Audit Work Programme for 2020/21

Recommendations

2. That Members approve the proposed draft Internal Audit Work Programme for 2020/21 and consider any additional areas for Internal Audit work during in 2020/21

Financial Implications

3. None

Background Papers

4. None.

Impact

- 5.

Communication/Consultation	The draft Internal Audit Work Programme 2020/21 referred to in this report has been agreed with Corporate Management Team and will be discussed with the Senior Management Team at its meetings in March and April 2020
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none
Sustainability	none

Ward-specific impacts	none
Workforce/Workplace	none

Situation

6. Internal Audit is part of the Council's corporate governance framework. Corporate governance is defined as the system by which local authorities direct and control their functions. The requirement for adequate and effective Internal Audit is statutory for all local authorities.
7. With effect from 1 April 2013, the work of Uttlesford District Council's (UDC) Internal Audit is governed by the UK Public Sector Internal Audit Standards (PSIAS) which have replaced the CIPFA Code of Practice for Internal Audit in the UK. The PSIAS require that there must be a risk-based internal audit plan that takes into account the requirement to produce an annual internal audit opinion and assurance framework and the plan must be reviewed and approved by senior management (CMT) and the board (Performance & Audit Committee).
8. Internal Audit uses a rolling programme of risk based internal audit work to meet requirements and resources during the year. Any review and revision to the programme will be reported to the Committee through Internal Audit Progress Reports.

Draft Internal Audit Work Programme 2020/21

9. Work on the 2020/21 Audit Programme is expected to start from 01 April 2020 alongside completion of any residual work from the 2019/20 Audit Programme.
10. The available audit days have been calculated on the resources available of:
 - 1 x FT Audit Manager
 - 1 x FT Internal Auditor
 - 1 x 0.67 FTE Internal Auditor
11. The initial Internal Work Programme for 2020/21 allocation of audit days calculated as follows:

Total Days available	697
Less non-productive (e.g. bank holidays, leave, admin, CPD, Training etc.)	<u>- 234</u>

Total available productive time	463
Less Productive non-audit work (e.g. Annual Governance Statement; consultancy & general advice; Committee & Member related work; Contribution to Corporate Management; fraud related work; irregularity provision; follow-up work; residual 2019/20 work etc.)	<u>- 163</u>

Total days available for planned audit work	300
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12. The 2020/21 programme audit work is risk based as far as is possible; our priorities for audits are:

1. Corporate Plan Actions / Corporate & Strategic Risks / Key Performance Indicators (latest data available at the time of preparation of this report);
2. Key Financials –statutory audits (audited on a 3 year cycle);
3. Internal Audit identified high risk areas;
4. Specifically requested risk areas or services;
5. Audits carried forward from the 2019/20 plan;
6. Overdue audits from the strategic plan.

13. Approximately 300 days are available for auditing from 01 April 2020 to 31 March 2021; at this stage potential days per audit have not been allocated.

14. The following audits are included in the draft Internal Audit Work Programme 2020/21:

CORPORATE AUDITS	COMMENT
Climate Change & Sustainability	Formerly Energy Efficiency last audit 2017/18, to incorporate Climate Change & Sustainability, Corp Plan 2020
Commercial Enterprises & Investments	new enterprises and investments
Fleet & Fuel Management	Last audited 206/17, changes following JVP
Uttlesford Norse	UDC monitoring of JVP

KEY FINANCIAL AUDITS	COMMENT
Council Tax	Key financial audit – year 1
Benefits (including LCTS)	Key financial audit – year 1
Main Accounting System	Key financial audit – year 1
Taxation	Key financial audit – year 1
Payroll, Allowances & Expenses	Key financial audit – year 1

FOLLOW UP AUDITS	COMMENT
Business Continuity & Emergency Planning	2019/20 Audit - LITTLE
Equality & Diversity	2019/20 Audit - LIMITED

- *there may be further follow up audits depending on 2019/20 Audit Opinions for audits currently WIP*

OTHER AUDITS	COMMENT
Communication	Last audit 2015/1, Corp Plan
Day Centres	service changes
Risk Management	Last audit 2015/16, RM review & service changes

Website & Consultation	New audit area, Corp Plan
Grounds Maintenance	Last audit 2014/15, Corp Plan
Highway Ranger Services	Last audit 2014/15, Corp Plan
Street Cleaning	Last audit 2014/15, Corp Plan
Elections	Last audit 2016/17 service changes & elections since
Environmental Health C - Food Safety & Infectious Disease Control	Last audit 2013/14, b/f from 2019/20
Housing - Landlord Services	New audit area
Economic Development - business parks and communities	New audit area b/f from 2018/19; Corp Plan
Economic Development - Stansted airport & partners for economic opportunities, jobs & prosperity	New audit area b/f from 2018/19; Corp Plan
Neighbourhood Plans	New audit area b/f from 2018/19; Corp Plan

15. The 2020/21 Strategic Programme details all of the potential audit areas and the information on which the audit risk assessment has been based and is reproduced in the appendix to this report.

Risk Analysis

16.

Risk	Likelihood	Impact	Mitigating actions
The Council does not provide for an adequate and effective internal audit function	1 Internal Audit function is an integral part of the Council	3 Statutory requirement, adverse External Auditor comment	Strategic audit programme approved by Senior Officers and Members, reconciled to available audit resource
The Council's audit environment changes and available audit resource is no longer sufficient	2 No spare capacity if unforeseen long term absence of staff	2 Review of audit plan leading to reduction of audit coverage. Potential	Regular monitoring and highlighting potential shortfall

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.