

# Gloucester City Council

<b>Meeting:</b>	<b>Audit and Governance Committee</b>	<b>Date:</b>	<b>8<sup>th</sup> March 2021</b>
<b>Subject:</b>	<b>Draft Internal Audit Plan 2021/22</b>		
<b>Report Of:</b>	<b>Head of Audit Risk Assurance (Chief Internal Auditor)</b>		
<b>Wards Affected:</b>	<b>Not applicable</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Piyush Fatania - Head of Audit Risk Assurance (Chief Internal Auditor)</b>		
	<b>Email:</b>	<b>Tel:</b>	
	<a href="mailto:Piyush.Fatania@gloucestershire.gov.uk">Piyush.Fatania@gloucestershire.gov.uk</a>	<b>01452 328883</b>	
<b>Appendices:</b>	<b>A: Draft Internal Audit Plan 2021/22</b>		

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 To provide the Committee with a summary of the draft Risk Based Internal Audit Plan 2021/22 as required by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS) 2017.

### 2.0 Recommendations

- 2.1 Audit and Governance Committee is asked to **RESOLVE** to:

- (1) Agree that the Internal Audit Plan for 2021/22 reflects the risk profile of the Council; and
- (2) Approve the Internal Audit Plan 2021/22 as detailed in **Appendix 1**.

### 3.0 Background and Key Issues

- 3.1 All local authorities must make proper provision for Internal Audit in line with the Accounts and Audit Regulations 2015 (the Regulations). The Regulations provide 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'. Completion of annual internal audits based on the risk profile of the Council also supports the Section 151 Officer's duty to ensure the proper administration of the Council's financial affairs.
- 3.2 The guidance accompanying the Regulations recognises the PSIAS 2017 (the Standards) as representing 'proper internal audit practices'. The Standards define the way in which the Internal Audit Service should be established and undertake its functions. These Standards require the Chief Internal Auditor to produce an Annual Risk Based Internal Audit Plan to determine the priorities of Internal Audit activity.

The proposed activity should be consistent with the Council's priorities and objectives, taking into account the risk management framework, risk appetite levels set by management and Internal Audit's own judgement of risks.

- 3.3 To ensure Internal Audit resources continue to be focussed accordingly, particularly during periods of organisational change, it is essential that we understand the Council's needs. This requires building relationships with key stakeholders, including other assurance/challenge providers, to gain crucial insight and ongoing 'intelligence' into the strategic and operational change agendas within the Council.
- 3.4 This insight is not only identified at the initial development stages of the plan but dialogue continues throughout the financial year(s) which increases the ability for the Internal Audit Service to adapt more closely to meet the assurance needs of the Council, particularly during periods of significant change. Our plan is therefore dynamic and flexible to meet these needs.
- 3.5 To ensure that an effective plan is developed, and alongside Internal Audit's own assessment of risk, a consultation process took place with Corporate Directors, Heads of Service and Service Managers to establish priorities and assurance requirements. Audit and Governance Committee and wider Member audit requests from 2020/21 were also considered as part of the consultation approach. The proposed activity from all sources was collated and matched against Internal Audit's resource availability and prioritised accordingly.
- 3.6 The audit plan is stated in terms of estimated days input to the Council of 550 audit days, which is comparable to last year. In total per year, 630 resource days are provided by ARA to enable delivery of the Council's audit plan and to also provide risk management support services.
- 3.7 By continuing to apply risk based Internal Audit planning principles, this level of input (combined with the ability to commission Internal Audit resources from current audit framework agreements as required) is considered acceptable to provide the assurance the Council needs. The Head of Audit Risk Assurance will however, continue to reassess Internal Audit resource requirements against the Council's priorities and risks and will amend the plan throughout the year as required, reporting any key changes to the Audit and Governance Committee.
- 3.8 The PSIAS require the Annual Risk Based Internal Audit Plan to be reviewed and approved by the appropriate body, which in respect of Gloucester City Council is the Audit and Governance Committee.

#### **4.0 Social Value Considerations**

- 4.1 There are no Social Value implications as a result of the recommendation made in this report.

#### **5.0 Environmental Implications**

- 5.1 There are no Environmental implications as a result of the recommendation made in this report.

## **6.0 Alternative Options Considered**

6.1 No other options can be considered as a Risk Based Internal Audit Plan is required by the PSIAS.

## **7.0 Reasons for Recommendations**

7.1 A requirement of the PSIAS is for the Chief Internal Auditor to produce an Annual Risk Based Internal Audit Plan and for this Plan to be approved by the appropriate body. In the case of Gloucester City Council, this is the Audit and Governance Committee.

## **8.0 Future Work and Conclusions**

8.1 Regular reports on progress against the Plan and any significant control issues identified will be presented to the Audit and Governance Committee.

## **9.0 Financial Implications**

9.1 There are no direct financial implications as a result of this report.

(Financial Services have been consulted in the preparation this report).

## **10.0 Legal Implications**

10.1 As set out in the report, the Risk Based Internal Audit Plan assists the Council to discharge its statutory responsibilities under Regulation 5 of the Accounts and Audit Regulations 2015 and significant aspects of the Section 151 Officer's duties.

(One Legal have been consulted in the preparation this report).

## **11.0 Risk and Opportunity Management Implications**

11.1 Failure to deliver an effective Risk Based Internal Audit Plan will impact on the statutory requirement to provide the Council with an annual independent audit opinion on the effectiveness of the Council's control environment comprising risk management, control and governance.

## **12.0 People Impact Assessment (PIA) and Safeguarding:**

12.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

## **13.0 Community Safety Implications**

13.1 There are no Community Safety implications as a result of the recommendation made in this report.

## **14.0 Staffing and Trade Union Implications**

14.1 There are no Staffing and Trade Union implications as a result of the recommendation made in this report.

**Background Documents:** [Accounts and Audit Regulations 2015](#)  
[PSIAS 2017](#)  
CIPFA Local Government Application Note for the UK PSIAS