

DECISION-MAKER:	GOVERNANCE COMMITTEE
SUBJECT:	ANNUAL INTERNAL AUDIT PLAN 2020-21
DATE OF DECISION:	27th JULY 2020
REPORT OF:	CHIEF INTERNAL AUDITOR

<u>CONTACT DETAILS</u>			
Executive Director	Title	FINANCE	
	Name:	John Harrison	Tel: 023 8083 4897
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Author:	Title	CHIEF INTERNAL AUDITOR	
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STATEMENT OF CONFIDENTIALITY	
N/A	
BRIEF SUMMARY	
<p>On an annual basis the Chief Internal Auditor is required to produce an Annual Plan that translates into a schedule of audit assignments. The plan defines the areas and potential scope inclusion and must provide a sufficient review of the Authority's functions in order to form an annual opinion on the effectiveness of the control framework. The plan must be proportionate to the risk exposure and appropriately aligned to the strategic objectives of the Council.</p> <p>Due to the level of resource lost during the period March 2020 to June 2020 the Audit Plan of assignments is reduced compared to the previous year to reflect the available resources, both in-house and client based as well as the councils immediate priorities. The reduction has been conducted based on a re-evaluation of the risk level of the activity and an assessment of the requirements of the council over the coming months. It is essential that this is kept fluid, in order to be able to react to the council's needs and this position will therefore be assessed monthly.</p> <p>The plan will have reduced the level of full audit assignments proposed, however the wider plan of activities, that will inform next year's audit opinion will include remote testing on COVID-19 related issues. In addition to this there are a number of audits included in the plan were a second follow up will be carried out, this is as a result of a lack of implementation of the agreed actions within agreed timescales, following the original audit. Only the outstanding areas will be retested.</p>	
RECOMMENDATIONS:	
	(i) That the Governance Committee approves the provisional Annual Internal Audit Plan for 2020-21 as attached.
REASONS FOR REPORT RECOMMENDATIONS	

1.	In accordance with internal audit practices and protocol, the Governance Committee is required to approve, but not direct the annual audit plan for Internal Audit & Counter Fraud.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	None
DETAIL (Including consultation carried out)	
3.	The provisional Internal Audit Plan for 2020-21 has been discussed with the Council's Executive Management Team.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
4.	None.
<u>Property/Other</u>	
5.	None.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
6.	The Accounts and Audit (England) Regulations 2015 state 'a relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards.
<u>Other Legal Implications:</u>	
7.	None
RISK MANAGEMENT IMPLICATIONS	
8.	Failure to maintain an effective internal audit functions would result in a failure of the organisation meeting its statutory responsibilities in relation to the Annual Governance Statement and Annual Audit Opinion.
9.	To ensure the safety of all staff and clients, a risk assessment will be completed prior to each item of work in relation to risks relating to COVID-19. Specifically to assess whether evidence to support audit testing or an investigation can be obtained safely and in accordance with the required evidential levels. Actions to minimise risk will be completed and a determination made on whether the activities can be undertaken or if the evidence strategy can be substituted by alternative means. The risk assessment will be treated as a live document until the activity has been completed. Any activities that are deemed not safe to complete will be deferred to later in the financial year, escalated to the Executive Director of Finance or cancelled. The underlining processes for all activities will not fundamentally change.
POLICY FRAMEWORK IMPLICATIONS	
10.	None

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None

SUPPORTING DOCUMENTATION

Appendices

1.	Annual Internal Audit Plan 2020-21
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Documents In Members' Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
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Data Protection Impact Assessment

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
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Other Background Documents

Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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