

Finance
7 Newington Barrow Way
London N7 7EP

Report of: Corporate Director of Resources

Meeting of:	Date	Agenda item	Ward(s)
Audit Committee	11 th March 2019	-	All

SUBJECT: 2019-20 Internal Audit Plan

1. Synopsis

- 1.1. The Council has a statutory duty to maintain an adequate and effective internal audit function. The Internal Audit, Investigations and Risk Management service provides this function.
- 1.2. Our primary objective is to offer the Council (via the Audit Committee), an independent and objective appraisal of whether objectives are being met. We also provide advice and guidance to management on risk and control issues within individual processes. We aim to achieve this through a planned programme of work based on an annual assessment of the major risks facing the authority. In 2019-20, the audit plan will need to be particularly flexible to provide most value to services that are undergoing significant levels of change.
- 1.3. The plan attached at Appendix A details the work to be undertaken by the Internal Audit in 2019-20 to deliver this objective.

2. Recommendations

- 2.1 Committee is asked to approve the 2019-20 Internal Audit Plan.

3. Background

- 3.1 The 2019-20 plan was drafted from a number of sources including the Council's principal risk report (as at January 2019), an Internal Audit risk assessment, audit plans of other local authorities, intelligence

from previous audits/fraud investigations, and CIPFA good governance guidelines. The Internal Audit risk assessment and consultation process to arrive at the plan was derived as follows:

- A list of all auditable systems was identified;
- Auditable areas were evaluated against risk criteria (including previous audit outcomes), and then ranked;
- Plans for each department were considered and approved by DMTs in January and February 2019;
- CMB is being asked to approve the consolidated plan in February 2019, ahead of Audit Committee's approval in March 2019.

3.2 The annual plan has been drawn up to address the statutory requirements and key risks for the Council, taking into account the available resources within the Internal Audit service. Changes to the annual plan may be necessary during the year to reflect changing risks.

3.3 Planned audit work undertaken is subject to a formal follow up to ensure that all agreed actions have been implemented. The timing of each follow up review is agreed with the client for the original audit. We report summary findings of all internal audit work as well as levels of implementation of agreed actions to the Audit Committee. Follow up outcomes will also have an impact on our risk assessment of a particular area.

4. Implications

4.1 Financial implications:

There are no specific financial implications associated with this report. The Audit Plan has been drawn up in light of available resources. The financial implications of individual audit and investigation reports are discussed with managers through the audit reporting protocols.

4.2 Legal Implications:

The Local Audit and Accountability Act 2014 sets out the regulatory framework for the audit of local authorities. The Council 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 (Accounts and Audit Regulations 2015 (SI 2015/234), regulation 5). The Public Sector Internal Audit Standards 2017 provide a set of public sector internal audit standards, which are supplemented for local government by CIPFA standard setting guidance.

4.3 Environmental Implications:

There are no environmental implications.

4.4 Resident Impact Assessment:

There are no direct equality implications arising from the recommendation in this report.

5. Conclusion and reasons for recommendations

5.1 This report indicates the level of work being undertaken by Internal Audit in order to provide assurance over the Council's control environment.

Appendices

Appendix A – 2019-20 Draft Internal Audit Plan

Final report clearance:

Signed by :



Service Director - Financial and Asset
Management (S151 officer)

14 February 2019

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