



## Audit Panel

### Report title: Proposed Internal Audit Plan and Charter for 2020-21

**Date:** 30 September 2020

**Key decision:** No.

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Director of Corporate Resources

### Outline and recommendations

This report presents members of the Audit Panel with:

- The proposed plan of internal audit work for 2020/21 (Appendix 1),
- The Internal Audit Charter for 2020/21 (Appendix 2)

Members are asked to approve the appendices to this report.

## Summary

### Background

- 1.1. The Public Sector Internal Audit Standards (PSIAS) require annual planning of internal audit work to support the Council from an objective assessment of the arrangements for governance, risk management and internal control. This report describes the approach to developing internal audit work for the last seven months of 2020/21 and sets out the proposed internal audit plan at **Appendix 1**. An internal audit charter is presented at **Appendix 2**, which sets out the framework for the conduct of internal audit services.

### Key Issues

- 1.2. The internal audit plan has been developed using a risk-based approach and consists of 504 days, including 484 days for corporate audit and 20 days for follow-up reviews. These days are allocated across 39 audits, covering each of the Council's main directorates. There are no school audits planned, given that schools have not been operating under normal arrangements due to the Covid-19 pandemic. The proposed plan is presented in Appendix 1.

- 1.3. The proposed audit plan for 2020/21 covers the last seven months of the year because the impact of Covid-19 resulted in cessation of all audit work between April and June 2020 as the team was redeployed to front line critical services. July and August closed out all of the 2019/20 audits.
- 1.4. PSIAS require that an internal audit charter is approved annually, to formally establish the purpose, authority and responsibility of internal audit. This is presented in Appendix 2

## **2. Recommendations**

- 2.1. It is recommended that the Audit Panel approve the content of **Appendix 1** to this report, which sets out the proposed internal audit plan for the last seven months of 2020/21.
- 2.2. It is recommended that the Audit Panel note the content of the Internal Audit Charter for 2020/21.

## **3. Financial implications**

- 3.1. There are no new financial implications arising directly from this report. Due to the cessation of audit work at the end of the 2019/20, the service was able to carry forward £47k of budget to ensure that sufficient resources were available for 2020/21. There is a further minor overspend in year of £27k forecast in July 2020 which reflects the acceleration of resource required to deliver the proposed work plan within the seven remaining months in the year. Management action to recover this as delivery of the plan progresses will be taken where possible to stay within budget.

## **4. Legal implications**

- 4.1. There are no legal implications arising directly from this report

## **5. Equalities implications**

- 5.1. There are no equalities implications arising directly from this report

## **6. Climate change and environmental implications**

- 6.1. There are no climate change or environmental implications arising directly from this report

## **7. Crime and disorder implications**

- 7.1. There are no crime and disorder implications arising directly from this report

## **8. Health and wellbeing implications**

- 8.1. There are no health and wellbeing implications arising directly from this report

## **9. Background papers**

- 9.1. There are no background papers.

## 10. Glossary

<b>Term</b>	<b>Definition</b>
Assurance Opinion	An independent assessment on the controls in place.
Recommendation	A suggestion made by Internal Audit on how to improve governance, risk management or internal control arrangements.
Management Action	The actions that management have agreed to undertake to implement the recommendation made by Internal Audit.
Control	A process that is in place to prevent or reduce the risk from occurring.

## 11. Report author and contact

- 11.1. If there are any queries on this report, please contact: David Austin, Director of Corporate Resources, on 020 8314 9114, or email them at: david.austin@lewisham.gov.uk