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| Subject: | Internal Audit Strategy and Annual Audit Plan 2020/21 | | |
| Date of Meeting: | 10 March 2020 | | |
| Report of: | Acting Chief Finance Officer | | |
| Contact Officer: | Mark Dallen, Audit Manager | | |
| | Name: | Russell Banks, Orbis Chief Internal Auditor | Tel: 01273 291314 |
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| Ward(s) affected: | All | | |

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 Members are asked to review the attached draft of the Internal Audit Strategy and Annual Audit Plan for 2020/21.

This includes:

- the proposed programme of internal audit and counter-fraud work for the coming year
- the Internal Audit Charter which sets out the purpose, authority and responsibilities of the Internal Audit function.

2. RECOMMENDATIONS:

- 2.1 That the Internal Audit Strategy and Annual Audit Plan for 2020/21 is approved subject to the identification of any areas for further consultation, or the potential addition or deletion of reviews currently included in the plan.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Regulation 5 of The Accounts and Audit Regulations 2015 requires the Council to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes'. In addition the Public Sector Internal Audit Standards (PSIAS) require "senior management" and "the board" to approve internal audit activity's plans and resource requirements and the Internal Audit Charter.

- 3.2 For Brighton & Hove, "senior management" is the Executive Leadership Team (ELT) and the "board" is the Audit & Standards Committee.

- 3.3 A copy of the Internal Audit Strategy and Annual Audit Plan for 2020/21 is included as Annex A.
- 3.4 The development of the annual plan involves extensive consultation with key stakeholders and horizon scanning is undertaken to ensure audit activity is proactive and future focussed. For 2020/21, the plan composes 1,540 days, no change from the previous year.
- 3.5 The strategy, which accompanies the schedule of audits, details the priorities for delivering an effective internal audit and counter fraud service together with details of the quality assurance and performance management arrangements for the coming year.
- 3.6 The Internal Audit Charter describes the purpose, authority and responsibilities on internal audit, its statutory basis and the standards which underpin best practice.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The 2020/21 audit plan will be again be delivered in partnership with our colleagues from East Sussex County Council and Surrey County Council as part of Orbis Internal Audit. The service will be delivered predominantly by a sovereign team of staff based at Brighton & Hove City Council supplemented by two specialist teams (ICT and Corporate Fraud) who will undertake audit work across the Orbis partnership. There are also resources in place to allow the delivery external IT and other specialist audits if required.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The process of compiling the Internal Audit plan has involved substantial consultations, including with members of ELT, heads of service and other senior management staff.

6. CONCLUSION

- 6.1 The Internal Audit Strategy and Annual Audit Plan, attached at Annex A, sets out proposals for maintaining an adequate and effective system of internal audit for 2020/21.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 It is expected that the 2020/21 Internal Audit plan will be delivered within the proposed budgetary resources.
- 7.2 The strategy and plan and action taken in line with recommendations from audits support the robustness and resilience of the council's practices and procedures and support the council's overall financial position.

Finance Officer Consulted: James Hengeveld

Date: 09/02/20

Legal Implications:

7.3 This report sets out the Council's Plan for meeting the requirement in Regulation 5 of the Accounts and Audit Regulations 2015 (referred to in para 3.1 above) that it undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes. It is within the delegated authority of the Audit and Standards Committee to approve the Plan.

Lawyer Consulted: Victoria Simpson

Date: 19/02/20

Equalities Implications:

7.4 Not applicable.

Sustainability Implications:

7.5 Not applicable

Any Other Significant Implications:

7.6 None.

SUPPORTING DOCUMENTATION

Annexes:

1. Internal Audit Strategy and Annual Audit Plan 2020/21.

Background Documents

None

