



## **Governance Scrutiny Group**

**Thursday, 4 February 2021**

**Year Two – Internal Audit Strategy 2020-2023**

### **Report of the Executive Manager - Finance and Corporate Services**

#### **1. Purpose of report**

- 1.1. On 6 February 2020, the Council's internal audit team from BDO presented a three-year Internal Audit Strategy. This was subsequently approved by the Governance Scrutiny Group.
- 1.2. This report focuses on the planned audits due to take place in Year Two of the Strategy, during 2021/22. This is included at Appendix A for consideration. A small number of changes have been made to the Year Two plan to respond to evolving situations and amended risks.
- 1.3. A member of the BDO internal audit team will attend the meeting to present the report and answer any questions the Group may have.

#### **2. Recommendation**

It is RECOMMENDED that the Governance Scrutiny Group approve the Year Two plans from the Internal Audit Strategy 2020-2023.

#### **3. Reasons for Recommendation**

- 3.1. To conform with best practice and Public Sector Internal Audit Standards; and give assurance to the Governance Scrutiny Group regarding the Council's internal control environment.

#### **4. Supporting Information**

- 4.1. The Council's internal auditors, BDO, compiled an Audit Strategy for the 2020 to 2023 period. The strategy was agreed by the Governance Scrutiny Group in February 2020.
- 4.2. Slight amendments have been made to the Year Two plan outlined in the original Audit Strategy to take account of the evolving Covid-19 situation, sector-led advice and amended local risks. The Year Two Audit Plan is included at Appendix A for information.
- 4.3. Ten audits are planned for 2021/22 totalling approximately 150 days and covering a number of the Council's key processes and systems. These include:

- Planning and s106
- Housing Benefit
- Contract Management and Procurement
- Hybrid Mail.

4.4. There will also be a follow-up audit of recommendations made in previous years but not yet implemented to ensure that audit recommendations are being complied with by officers.

4.5. There are three questions to assist the Group in their consideration of the audit plan. These are:

- Is the Group satisfied that sufficient assurances are being received within their annual plan to monitor the Council's risk profile effectively?
- Does the strategy for internal audit cover the Council's key risks as they are recognised by the Group?
- Are the areas selected for coverage this coming year appropriate?

## **5. Risks and Uncertainties**

5.1. There are no risks directly attributable to the report although the nature of the internal audit service and the audit plan helps manage risk. The audit fees are always subject to risk in terms of if an internal control weakness is identified fees can potentially exceed the budget or work may take less time than planned (ie there is both upside and downside risk).

## **6. Implications**

### **6.1. Financial Implications**

The audit fee relating to the costs of the audit work is included within existing budgets.

### **6.2. Legal Implications**

There are no legal implications arising from this report.

### **6.3. Equalities Implications**

None

### **6.4. Section 17 of the Crime and Disorder Act 1998 Implications**

None

## **7. Link to Corporate Priorities**

Quality of Life	None
Efficient Services	Undertaking a programme of internal audit ensures that proper and efficient services are delivered by the Council.
Sustainable Growth	None
The Environment	None

## 8. Recommendations

It is RECOMMENDED that the Governance Scrutiny Group approve the Year Two plans from the Internal Audit Strategy 2020-2023.

<b>For more information contact:</b>	Peter Linfield Executive Manager - Finance and Corporate Services Tel: 0115 9148439 plinfield@rushcliffe.gov.uk
<b>Background papers available for Inspection:</b>	None
<b>List of appendices:</b>	Appendix A – Year Two - Internal Audit Strategy 2020-2023