



Audit Committee

15th December 2021

Title	Internal Audit Plan 2021-22 (Q3 and Q4)
Report of	Executive Director of Assurance Head of Internal Audit
Wards	N/A
Status	Public
Urgent	No
Key	Yes
Enclosures	Appendix A - Internal Audit Plan 2021-22 (Q3 & Q4)
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Summary

The Internal Audit Plan has been formulated in consultation with the Council Management Team and with reference to the Council's risk registers.

In line with the approach endorsed by the Institute of Internal Audit (IIA), The Head of Internal Audit did not draft a full year Internal Audit plan for 2021/22. This was to enable the internal Audit Team to be responsive to requests from the Council in these times of continued uncertainty and changes to Council service delivery in response to emerging from the pandemic.

In April the Committee received a plan for Q1 and Q2 which was approved by the Committee. This report outlines an indicative internal audit plan for the second half of the year (Quarters 3 and 4) that incorporates:

- Completion of ongoing work on the 2021/22 (Q1 & Q2) audit plan
- Priority audits for Q3 and Q4

Updates against the evolving plan and its delivery will be given to the Audit Committee at each meeting during 2021/22.

Recommendations

- 1. That the Committee approves the Internal Audit and Annual Plan for Q3 and Q4 of 2021-22 as highlighted in appendix A**

1. WHY THIS REPORT IS NEEDED

- 1.1 The Audit Committee's role in receiving the Internal Audit Q3 & Q4 Plan for 2021-22 is to consider and approve the planned programme of work.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Compliance with the Public Sector Internal Audit Standards.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not relevant.

4. POST DECISION IMPLEMENTATION

- 4.1 The Internal Audit Q3 & Q4 Plan will be delivered and progress against the plan reported to the Audit Committee at future meetings throughout the year.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 All internal audit planned activity is aligned with the Council's objectives set out in the Corporate Plan 2021-2025, and thus supports the delivery of those objectives by giving an auditor judgement on the effectiveness of the management of the risks associated with delivery of the service.

- 5.1.2 A comprehensive Internal Audit Plan is essential to giving an annual Internal Audit Opinion on the internal control environment (ICE) which is fundamental for the achievement of all of the Council's objectives. This opinion forms an integral element of the Annual Governance Statement.

- 5.1.3 The Council has a responsibility to protect the public purse through proper administration and control of the public funds and assets to which it has been entrusted.

- 5.1.4 In line with the Council's Corporate Plan priorities, Customer Services will be a theme underpinning the plan and will be picked up as a scope area in appropriate audits throughout the year e.g. Council Tax and Trade Waste.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 This Plan, by being based on the risks of the organisation, will ensure the appropriate allocation of resources to those areas that require audit review and assurance.

5.2.2 In addition, the follow-up of audit recommendations will ensure that a positive culture of internal control is achieved.

5.2.3 The proposed plan is being achieved from Internal Audit & CAFT's current budget.

5.3 Social Value

5.3.1 None in the context of this decision.

5.4 Legal and Constitutional References

5.4.1 The Council's Constitution (Article 7) sets out the terms of reference for Committees. The responsibilities for the Audit Committee include providing "independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment and to oversee the financial reporting process.

5.4.2 The Council also has a duty under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk. Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires 'an authority to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts (England)'.

5.5 Risk Management

5.5.1 The Plan is based upon the risks of the organisation and supports the Council's risk management system and processes as each internal audit or pro-active anti-fraud exercise will either comment on how well risks are being managed or how effective the controls to mitigate the risks in the area under review are.

5.5.2 Outcomes from internal audits will either confirm effective management of risk or suggest areas for improvement. In addition, this will provide Directors with assurances that managers are being effective in managing the risks within the service.

5.5.3 Internal Audit work contributes to increasing awareness and understanding of risk and controls amongst managers and thus leads to improving management processes for securing more effective risk management.

5.6 Equalities and Diversity

5.6.1 Effective systems of audit, internal control and corporate governance provide assurance on the effective allocation of resources and quality of service provision for the benefit of the entire community. Individual audits assess, as appropriate, the differential aspects on different groups of individuals to ensure compliance with the Council's duties under the 2010 Equality Act.

5.6.2 Organisational Culture will be a new theme underpinning the plan and will be picked up as a scope area in appropriate audits throughout the year e.g. Data Maturity and Equalities, Diversity & Inclusion (EDI).

5.7 Corporate Parenting

5.7.1 None in the context of this decision

5.8 Consultation and Engagement

5.8.1 N/A

5.9 Insight

5.9.1 None in the context of this decision

6. ENVIRONMENTAL IMPACT

6.1 Not relevant to this report.

7. BACKGROUND PAPERS

6.1 Audit Committee 28 April 2021 (Decision Item 8) - the Committee approved the Internal Audit and Anti-Fraud Strategy and Annual Plan 2021-22.

<https://barnet.moderngov.co.uk/documents/s64733/Internal%20Audit%20Anti-Fraud%20Strategy%20and%20Annual%20Plan%202021-22.pdf>