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| <b>Subject:</b>                       | Internal Audit Annual Plan 2019-20                             | <b>Status:</b>                             | For Publication                          |
| <b>Report to:</b>                     | Audit and Accounts Committee                                   | <b>Date:</b>                               | 19 <sup>th</sup> March 2019              |
| <b>Report of:</b>                     | Head of Internal Audit (Internal Audit Service)                | <b>Portfolio Holder:</b>                   | Resources                                |
| <b>Key Decision:</b>                  | <input type="checkbox"/> Forward Plan <input type="checkbox"/> | General Exception <input type="checkbox"/> | Special Urgency <input type="checkbox"/> |
| <b>Equality Impact Assessment:</b>    | Required:  | No   | Attached: No                             |
| <b>Biodiversity Impact Assessment</b> | Required:  | No   | Attached: No                             |
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| 1.  | <b>RECOMMENDATION</b>   |
| 1.1 | The committee are asked to approve the internal audit plan for 2019/20. |

## 2. PURPOSE OF REPORT

2.1 The Audit and Accounts Committee's terms of reference require it to advise the council on the planned activity and results of internal audit.

## 3. CORPORATE PRIORITIES

3.1 The matters discussed in this report impact directly on the following corporate priorities:

- **A clean and green Rossendale:** our priority is to keep Rossendale clean and green for all of Rossendale's residents and visitors, and to take available opportunities to recycle and use energy from renewable sources more efficiently.
- **A connected and successful Rossendale that welcomes sustainable growth:** our priority is to ensure that we are well connected to our residents, key partners and stakeholders. We want to make the most of every pound we spend and we are always looking for new and innovative ways to make the resources we do have, work harder for us.
- **A proud, healthy and vibrant Rossendale:** our priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit.

## 4. RISK ASSESSMENT IMPLICATIONS

4.1 The responsibility for implementing, maintaining and reviewing the system of internal control rests with the council, but the process by which the effectiveness of its system of internal control is reviewed and the governance statement is made includes obtaining assurances on the effectiveness of key controls. In practice, these assurances will be substantially drawn from the work of internal audit. The audit plan is therefore focused on providing these assurances to the chief executive and leader of the council who are jointly required to sign the annual governance statement

## 5. BACKGROUND AND OPTIONS

5.1 Definition of internal auditing

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the

effectiveness of risk management, control and governance processes."

"The provision of assurance services is the primary role for internal audit in the UK public sector. This role requires the chief audit executive to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control."

*The Institute of Internal Auditors, and  
Public Sector Internal Audit Standards, 2015*

5.2 Relevant regulations

Internal audit: "A relevant authority 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." Regulation 5. (1)

Review of internal control system: "A relevant authority must, each financial year (a) conduct a review of the effectiveness of the system of internal control ... and (b) prepare an annual governance statement." Regulation 6. (1)

*Accounts and Audit Regulations 2015*

**COMMENTS FROM STATUTORY OFFICERS:**

**6. SECTION 151 OFFICER**

6.1 Any financial implications are commented upon in the report.

6.2 Given the Council's MTFS challenge the Head of Finance will, with the support of Internal Audit and the Senior Management Team, seek to exploit any reasonable opportunity to reduce the number of planned audit days.

**7. MONITORING OFFICER**

7.1 Any legal implications are commented upon in the report.

**8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT**

8.1 RBC Senior Management Team, relevant Heads of Service.

**9. CONCLUSION**

9.1 The plan is focused on an assessment of the risks to the achievement of the council's objectives, and the provision of assurance that the actions planned to mitigate these risks are adequate and effective.

No background papers