

REPORT OF THE GROUP DIRECTOR OF FINANCE & CORPORATE RESOURCES

INTERNAL AUDIT ANNUAL PLAN 2019/20 COVERING REPORT	Classification Public	Enclosures Appendix 1
	Ward(s) affected All	AGENDA ITEM No
Audit Committee 10 April 2019		

1. GROUP DIRECTOR'S INTRODUCTION

- 1.1. This reports enables the Audit Committee to consider and approve the proposed Internal Audit Annual Plan and resources for 2019/20 as part of its role in overseeing corporate governance.

2. RECOMMENDATION

2.1 The Audit Committee is recommended to:

Consider and approve the proposed Internal Audit Annual Plan (attached as Appendix 1), which includes the key performance measures for 2019/20.

3. REASONS FOR DECISION

- 3.1 The Terms of Reference for the Audit Committee set out the key roles of the Committee including the requirement to: -

'Provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of Hackney's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place'.

- 3.2 The Public Sector Internal Audit Standards 2017 (PSIAS) set out what is meant by 'proper internal audit practices'. The PSIAS require a risk-based plan that sets out how the internal audit service will be provided and developed in accordance with the Charter and how it will link to the Council's objectives and priorities. They also require that the appropriate 'Board' approves the plan. The London Borough of Hackney has designated the Audit Committee as the 'Board' for this purpose.

4. BACKGROUND

The operational plan for the Internal Audit Service is provided in Appendix 1 and sets out the division of responsibilities between the Internal Audit Service and managers. It presents the Annual Internal Audit Plan and Key Performance Measures for 2019/20 and is submitted to Members for approval.

4.1 Policy Context

The work of the Internal Audit Service complies with the Public Sector Internal Audit Standards. Internal Audit reviews consider all applicable policies of the Council.

4.2 Equality Impact Assessment

This report does not require an equality impact assessment but where applicable equality issues and adherence to corporate policies would be considered in audit reviews.

4.3 Sustainability

Not Applicable.

4.4 Consultations

Consultation on the Internal Audit Plan has taken place with senior management through a combination of individual discussion and consideration by directorate management teams.

4.5 Risk Assessment

The work of Internal Audit is based upon a risk assessment which covers all areas of the Council's activity and is continually changing to reflect new initiatives, emerging risk areas and new legislation. There is also continuous reassessment of risk as audits are undertaken, plus regular consultation with directors and senior managers to ensure that account is taken of any concerns they raise.

5. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

5.1 The Council is required to provide sufficient resources to enable an adequate and effective internal audit service to be provided that meets its objectives. Internal Audit should have appropriate resources in order to meet its objectives and comply with the standards contained in the PSIAS.

5.2 The current level of resources is considered sufficient to develop and ensure delivery of the Internal Audit Annual Plan as set out in this report and provide the necessary assurance on the effectiveness of the system of internal control.

6. COMMENTS OF THE DIRECTOR, LEGAL

6.1 The Accounts and Audit Regulations 2015 place obligations on the Council to ensure that its financial management is adequate and effective and that it has a sound system of internal control which includes arrangements for management of risk. The Internal Audit Annual Plan together with the recommendation in this report facilitates the Council in discharging the obligation.

- 6.2 The provisions of Regulation 5 of the Accounts and Audit Regulations 2015 require the Council to undertake an effective internal audit function.
- 6.3 There are no immediate legal implications arising from the report.

APPENDICES

Appendix 1 - Internal Audit Annual Plan 2019/20

BACKGROUND PAPERS

None

Report Author	Tracy Barnett ☎020-8356 3119 Tracy.barnett@hackney.gov.uk
Comments of the Group Director, Finance and Corporate Resources	Michael Honeysett ☎020-8356 3332 Michael.honeysett@hackney.gov.uk
Comments of the Director, Legal	Dawn Carter-McDonald ☎020-8356 4817 Dawn.carter-mcdonald@hackney.gov.uk