

Internal Audit

Internal Audit Plan 2019-20

Torbay Council Audit Committee

March 2019

Not Protectively Marked

Robert Hutchins
Head of Audit Partnership



Auditing for achievement

INTRODUCTION	1
ANNUAL SERVICE LEVEL PLANS	2
THEMATIC OVERVIEW AUDIT COVERAGE	3
HIGH LEVEL AUDIT PLAN	4
PROPOSED AUDIT REVIEWS	5
REDUCTION IN DAYS 2017 TO 2020 - IMPACT ON ASSURANCE	8
CHARTERED INSTITUTE OF INTERNAL AUDITORS – THREE LINES OF DEFENCE	9
FRAUD PREVENTION AND DETECTION AND INTERNAL AUDIT GOVERNANCE	10
APPENDIX 1 - AUDIT FRAMEWORK	11
APPENDIX 2 - ANNUAL GOVERNANCE FRAMEWORK ASSURANCE	12
APPENDIX 3 - AUDIT NEEDS ASSESSMENT	13
APPENDIX 4 - OUR AUDIT TEAM AND THE AUDIT DELIVERY CYCLE	14

Devon Audit Partnership

The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay, Torridge, Mid Devon and Devon councils. We aim to be recognised as a high quality internal audit service in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.

The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at robert.hutchins@devonaudit.gov.uk.

Confidentiality and Disclosure Clause

This report is protectively marked in accordance with the government security classifications. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.

This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.

Introduction

Internal auditing is defined by the Public Sector Internal Audit Standards (PSIAS) which set out the requirements of a 'Board' and of 'senior management'. For the purposes of the internal audit activity within the Council the role of the Board within the Standards is taken by the Council's Audit Committee and senior management is the Council's Senior Leadership Team. The Audit Committee, under its Terms of Reference contained in the Council's Constitution, is required to review and approve the Internal Audit Plan to provide assurance to support the governance framework (see appendix 2).

This Council's Internal Audit Charter formally describes the purpose, authority, and principal responsibilities of the Council's Internal Audit Service, which is provided by the Devon Audit Partnership (DAP) as represented in the audit framework at appendix 1, and the scope of Internal Audit work. The PSIAS make reference to the role of "Chief Audit Executive". For the Council this role is fulfilled by the Head of Devon Audit Partnership.

The chief audit executive is responsible for developing a risk-based plan which takes into account the organisation's risk management framework, including using risk appetite levels set by management for the different activities or parts of the organisation as represented in appendix 3.

The audit plan represents the proposed internal audit activity for the year and an outline scope of coverage. At the start of each audit the scope is discussed and agreed with management with the view to providing management, the Chief Finance Officer (Section 151) and members with assurance on the control framework to manage the risks identified. The plan will remain flexible and any changes will be agreed formally with management and reported to Audit Committee.

Expectations of the Audit Committee for this annual plan

Audit Committee members are requested to consider:

- the annual governance framework requirements;
- the basis of assessment of the audit work in the proposed plan;
- the resources allocated to meet the plan;
- proposed areas of internal audit coverage in 2019/20.

In review of the above the Audit Committee are required to consider the proposed audit plan.

Robert Hutchins
Head of Audit Partnership

Annual Service Level Plans

Transformation Programme

We will continue to support the Authority's Transformation Programme in both a 'trusted adviser' role and through provision of operational support to project delivery. In addition to Digitalisation as a project, we will also support this area with specific alignment to the ICT service.

Public Health

We plan to examine the arrangements for Prevention and how the Council supports Prevention across its many departments and systems. This is also intended to link into the Future Model – Improved Outcomes.

Adult Services and Housing

Whilst most of the assurance work is carried out by Health auditors (Audit South West), our work will review organisational arrangements for Housing service delivery, and follow up our previous work in relation to the Care Act – Better Care Fund / Section 256 monies. We will also review "Health Watch" following planned changes to the service, and Community Engagement with a focus on the Prevention theme and linked to the Future Model – Improved Outcomes.

Corporate Services

Work will include examination of the current arrangements for Emergency Planning and Business Continuity following action taken to improve both areas. We will also review Community Protection with a focus on Prevention and linked to the Future Model – Improved Outcomes. Libraries Unlimited will also be subject to a separate internal audit by the Devon Audit Partnership commissioned jointly by Torbay Council and Devon County Council.

Place

We will review processes in Spatial Planning in relation to both Development and Planning and Section 106 and CIL (Community Infrastructure Levy).

We will also consider Commissioning and Performance Monitoring by the Council of the TDA (trading name of the Torbay Economic Development Company Ltd), and the Asset Management Strategy / Plan. We will review arrangements at the Tor Bay Harbour Authority in line with the rolling audit plan agreed with the Harbour Committee, Work will also include examination of commissioning and contract management in relation to Highways, Street Scene, Lighting, Transport Infrastructure and Events.

We will continue to be involved in the TOAD (Torbay On line Asset Database) replacement project as a 'trusted advisor'.

Children's Services

Following on from our work in Permanency Planning, we will examine Fostering and Connected Carers and the Council's monitoring arrangements in relation to the Regional Adoption Agency. We will also review arrangements for Contracted and Commissioned Services given the high level of spend in this area. Similarly, we will follow up on our previous work in relation to the Use of Agency staff, again due to high level of spend. In addition, a section of the plan will focus on Education Services specifically Early Education / Nursery Funding, Special Education Needs / Higher Needs and Admissions and Place Planning. Time has also been included in relation to Early Years where there will be a focus on Prevention and linked to the Future Model – Improved Outcomes.

Additionally, Schools audit activity, and compliance with Schools Financial Value Standards, will be maintained.

Core Assurance – Business Processes & Governance, Key Financial Systems, ICT

We shall continue to work with management to ensure that effective systems and governance arrangements are in place to manage the risks, as shown by our work in areas such as Commissioning and Contracts Management.

Assurance work will be undertaken on areas termed as material systems that process the majority of income and expenditure of the Authority, and which have a significant impact on the reliability and accuracy of the annual accounts.

IT Audit activity will support the investment in the service and benefits realisation. We will continue to support major ICT system implementations that fall within the Transformation programme, and the GDPR (General Data Protection Regulations) project. We will examine and evaluate the core ICT functions supporting the Council's key financial systems. The reviews will be undertaken using the ITIL (IT Infrastructure Library) framework as a reference for best practice but maintaining specific relevance to the organisation.

Value Added and Infrastructure / Business Projects

We will provide irregularity investigation work as required. In addition, we will continue to support the Council in responding to Freedom of Information and Subject Access Requests.

We will undertake the annual follow up on all audit areas identified as 'Improvements Required' or 'Fundamental Weaknesses' in 2018/19. A number of projects will be supported ranging from major infrastructure to operational system implementations.

Service Area Overview of Audit Coverage						Business Projects	Value Added
Thematic Overview Audit Coverage	Adult Services and Housing	Children's Services	Public Health	Corporate Services	Place	Transformation Programme (refer to page 5) Information Security / GDPR TOAD replacement	Information Security Group Irregularity Prevention and Investigation Subject access and freedom of information requests National Fraud Initiative Advice Audit Follow Up Schools incl. Financial Value Standard
	Housing	Contracted Services / Commissioned Services	Public Health / NHS Links – Prevention*	Community Protection – Prevention*	Development and Planning		
	Care Act – Better Care Fund / Section 256 monies (follow up)	Fostering and Connected Carers		Library Service	Section 106 and CIL		
	Health Watch	Use of Agency		Commissioning and Performance Monitoring by the Council of TDA			
	Community Engagement – Prevention*	Adoption		Events			
	(Adult Social Care audited by Audit South West)	Early Years – Prevention*		Beach Services			
Early Education / Nursery Funding		Torbay Harbour Authority					
	Special Educational Needs / Higher Needs	Asset Management Strategy / Plan					
	Admissions and Place Planning	Highways, Street Scene, Lighting & Transport Infrastructure					
Core Assurance	Business Processes & Governance – Emergency Planning and Business Continuity, Commissioning and Performance Monitoring, Contract Monitoring, Grant Certification, and Audit Assurance Planning and Reporting						
	Key Financial Systems – Payroll, IBS Sys Admin, Creditors & Electronic Ordering, FIMS Sys Admin, Debtors & Corporate Debt, Benefits & Council Tax Support Scheme, Income Collection, Asset Register, Council Tax & Non-Domestic Rates, General Ledger & Bank Reconciliation, Treasury Management						
	ICT – Investment in the Service, ICT Continuity and Disaster Recovery (arrangements for key systems)						

The diagram shows the thematic approach to the elements proposed for audit coverage in the coming year as identified through risk assessment and discussion with Senior Management. This overview is supported by the detailed plans, by theme, in appendix 1.

High Level Audit Plan

This chart shows a summary of planned audit coverage for the year totalling 637 direct days (665 including 28 days for Schools). It should be borne in mind that, in accordance with the Public Sector Internal Audit Standards, the plan needs to be flexible to be able to reflect and respond to the changing risks and priorities of the Council and, to this end, it will be regularly reviewed with directorates, and updated as necessary, to ensure it remains valid and appropriate. As a minimum, the plan will be reviewed in six months to ensure it continues to reflect the key risks and priorities of the Council given the significant changes across the public sector.

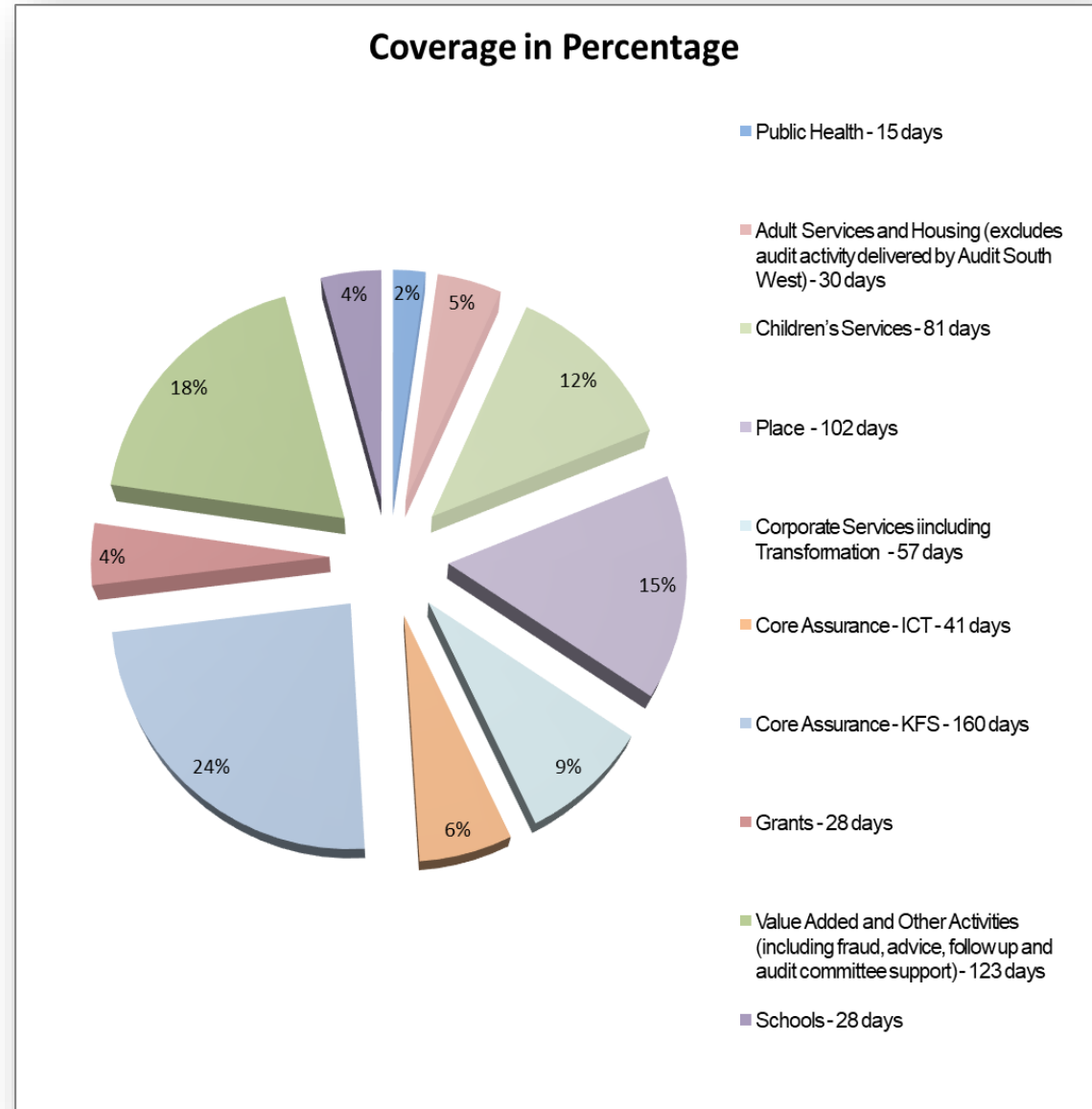
We have set out our plan based on the current organisational structure for the Council. Detailed terms of reference will be drawn up and agreed with management prior to the start of each assignment – in this way we can ensure that the key risks to the operation or function are considered during our review. The following pages give a brief overview of the focus of proposed audit coverage for the year.

A detailed analysis of proposed audit reviews is provided in the following schedule.

It should be noted that the audit plan days have been reduced by partners since the inception of the Devon Audit Partnership. However, Torbay Council's audit plan days have notably reduced.

Torbay Council's ongoing reduction in internal audit days can impact the overall governance environment for the organisation (please refer to the Chartered Institute of Internal Auditors – Three lines of Defence model at page 9). The reduction in days means we are unable to audit areas with the previous frequency, and the breadth of scope or depth of coverage may be limited.

Our overall assessment of our ability to provide “adequate assurance” based on the resources allocated has moved from green overall to amber. Management have been made aware of this assessment and have accepted this risk (see also at page 8).



Proposed audit reviews

* Whilst audit area titles are detailed below, our practice is to agree detailed scopes closer to the actual timing of the audits and these will be briefly recorded in our 6 month and annual monitoring reports to Audit Committee.

Risk Area / Audit Entity *	Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Timing	
		Days	Quarter
Transformation (direct project consultancy)			
Transformation Programme - project 'trusted advisor' including review of <ul style="list-style-type: none"> ○ Children's Services Delivery Model with Plymouth City Council ○ Digitalisation, ICT Service delivery model ○ Major Projects incl. ICT Projects ○ Change / Programme Management incl. in relation to ICT ○ Investment Committee ○ Housing Company ○ Town Centre Regeneration ○ TOR2 ○ Concessionary Fares ○ Redesign of Customer Services / Connections ○ Future Model – Improved Outcomes 	ANA – critical	40	1-4
Other Directorate Areas (not directly linked to the transformational change programme)			
Public Health			
Public Health / NHS Links (Prevention and how the Council supports the shift in Prevention across the system, and linked to the Future Model – Improved Outcomes) *	ANA – high, client request	15	2
Adult Services and Housing			
Health Watch ***	ANA – medium, client request	5	1
Housing (including housing strategy, joint working of fragmented service, Crisis report 'housing first model' implementation, use of community housing grant)	ANA – critical	15	3
Care Act – Better Care Fund / Section 256 monies (follow up audit, use of Improved Better Care Fund)	ANA – critical	5	2
Community Engagement – Prevention (linked to the Future Model – Improved Outcomes) *	ANA – high, client request	5	2
Colleagues at Audit South West will be formed of key risks / challenges which have previously included: <ul style="list-style-type: none"> • Care Home Sustainability, • GDPR, • Cyber security, • business continuity, • impact of homelessness. 		Audit areas to be notified and agreed by the Director by the Director of Adult Services and Housing Audit Plan to be approved at TSDFT's Audit Committee	

Risk Area / Audit Entity *	Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Timing	
		Days	Quarter
Children’s Services			
Contracted Services / commissioned Services	ANA – high	15	2
Fostering and Connected Carers	ANA – medium	12	3
Use of Agency staff and control of Safeguarding employee costs (follow up audit)	ANA – high	5	4
Adoption (client monitoring of the Regional Adoption Agency)	ANA - medium	8	1
Early Years – Prevention (linked to the Future Model – Improved Outcomes) *	ANA – high	5	2
Early Education / Nursery Funding	ANA - high	12	4
Special Education Needs / Higher Needs	ANA - medium	10	3
Admissions and Place Planning ***	ANA – low, client request	12	1
School Financial Value Standard (SFVS)	n/a	2	1
Schools	Service bought by Schools – summary of findings provided in relation to Authority Controlled Schools	28	n/a
Place			
Spatial Planning – Development and Planning	ANA - high	18	1
Commissioning and Performance Monitoring by the Council of the TDA (the trading name of the Torbay Economic Development Company Ltd) including loan, new companies, group activity)	ANA - high	10	1
Events (commissioning and contracts)	ANA - medium	14	1
Beach Services ***	ANA – low, client request	10	2
Tor Bay Harbour Authority	ANA - medium	15	2
Asset Management Strategy / Plan	ANA – high	10	3
Highways, Street Scene, Lighting & Transport infrastructure (contract management)	ANA – high	10	3
Spatial Planning – Section 106 and CIL	ANA - medium	12	2
TOAD Replacement (Torbay On line Asset Database) (project assurance)	ANA – medium	3	1-4

Risk Area / Audit Entity *	Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Timing	
		Days	Quarter
Corporate Services			
Emergency Planning and Business Continuity	ANA - medium	10	4
Library Service – contribution to internal audit provision to Libraries Unlimited	ANA - medium	2	1
Community Protection (linked to the Future Model – Improved Outcomes) *	ANA – high, client request	5	2
Core Assurance – ICT			
ICT Investment in the Service	ANA - high	20	1-4
ICT Continuity and Disaster Recovery (arrangements for key systems)	ANA - high	10	3
Information Security / GDPR – ‘trusted advisor’	ANA - high	8	1-4
Information Security Group – ‘trusted advisor’	ANA – client request	3	1-4
Core Assurance – Key Financial Systems and Grant Certification			
General Ledger (Main Accounting System) and Bank Reconciliation	ANA – medium	17	3
Creditors & Electronic Ordering (POP)	ANA – high	17	3
Debtors and Corporate Debt	ANA – high	22	4
FIMS Sys Admin (follow up audit)	ANA – high	4	1
Asset Register	ANA – medium	11	1
Treasury Management (follow up audit)	ANA – medium	5	2
Income Collection (follow up audit)	ANA – medium	5	2
Payroll	ANA – high	17	4
Benefits and CTAX Support Scheme	ANA – high	22	2
Benefits (40+ Testing)	ANA – client request	15	2-3
Council Tax and Non-Domestic Rates	ANA – medium	21	4
IBS Open Sys Admin (follow up audit)	ANA – high	4	1
A rolling programme of audits is adopted for material systems whereby although the planned days is likely to remain stable each year, the work programmes may differ, with each audit having varying amounts of system review, testing or a combination of the two. This approach enables us to deliver a more cost-effective service, whilst providing sufficient assurance as to the adequacy of the Authority’s material system control environment.			
Grant Certification	ANA – client request	28	n/a

Risk Area / Audit Entity *	Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Timing	
		Days	Quarter
Value Added and Other Activities			
Irregularity Prevention and Investigation **	business driven requirement, client request	45	n/a
Subject access and freedom of information requests	business driven requirement, client request	5	n/a
Advice	business driven requirement	16	n/a
Audit Follow Up	business driven requirement	12	2-3
Other activities (including audit planning and annual plan report; support for audit committee; 6 month and annual monitoring reports; support for the preparation of the AGS; attendance at corporate meetings; external audit liaison etc.)		45	n/a

Risk Assessment Key

SRR / ORR – Local Authority Strategic or Operational Risk Register reference

ANA - Audit Needs Assessment risk level

* To note, these areas are audits focussed on Prevention and how the Council support the shift in Prevention across the system, and linked to the Future Model – Improved Outcomes as requested by s151 and agreed by Directors

** To note, the time spent on irregularities in 2018-19 was more than 45 days; should this be the case during 2019-20 then there will be a need to either revisit the audit plan or commission further internal audit days.


*** To note, that for these 'client request' audits the scope of work will be discussed with the s151 officer and Director of Corporate Services prior to commencement to enable the redirection of audit resource if appropriate.

Overall Reduction in Days 2017 to 2020

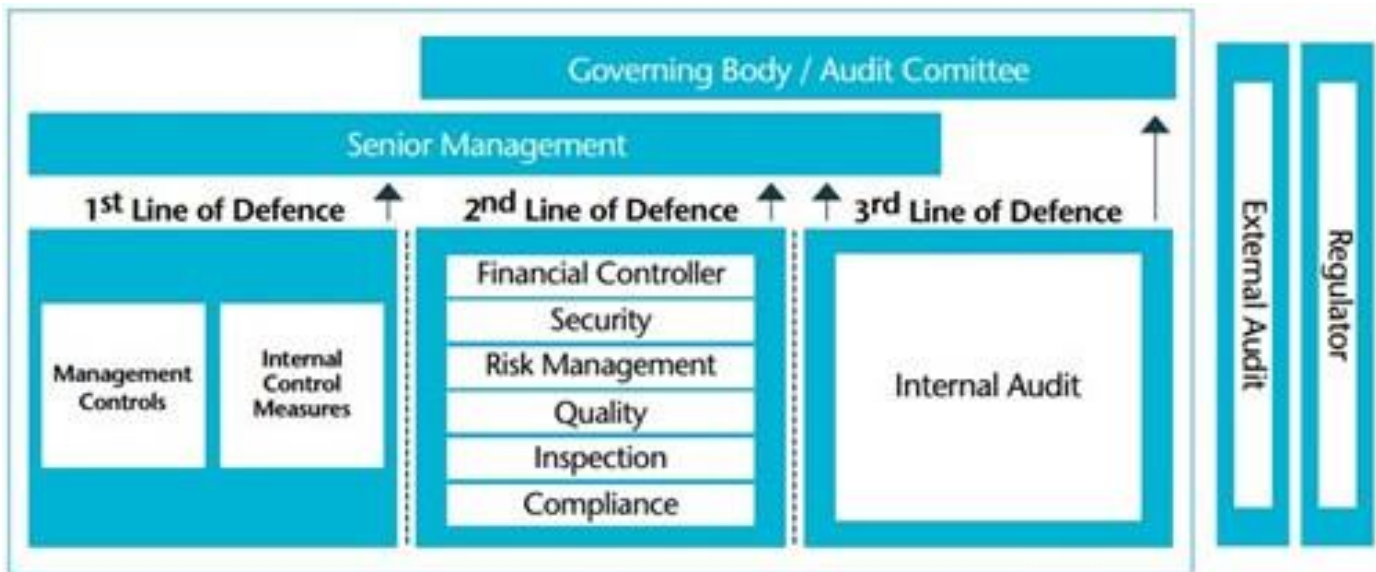
As mentioned at page 4, there has been notable reduction in audit days as shown in the table below. For the 2019/20 year, the reduction has changed our assessment of the internal audit resources and the potential impact on assurance provision from green to amber.

Amber reflects that for 2019/20 we consider that there are still enough audit days for the Head of Internal Audit to provide an assurance opinion, however further reductions could adversely impact this position in future years.

The Council's financial pressures are well known and must be taken in account when setting the resource level for Internal Audit. However, the value in our work is to bring early attention to risks that are not fully understood or mitigated. Reduction in Internal Audit coverage reduces the ability for 'early warning' and could result in issues becoming problems and objectives not being met and reduces our ability to add value to the overall governance arrangements of the Council.

Audit Days	Days 2016/17	Days 2019/20	Direction	Audit Commentary / Risk Assessment
Total Direct Days for Internal Audit	882	637		Assessment is of overall movement from 'green' to 'amber'.

Chartered Institute of Internal Auditors – Three Lines of Defence



1. First line of defence

Under the first line of defence, operational management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks.

2. Second line of defence

The second line of defence consists of activities covered by several components of internal governance (compliance, risk management, quality, IT and other control departments). This line of defence monitors and facilitates the implementation of effective risk management practices by operational management and assists the risk owners in reporting adequate risk related information up and down the organisation.

3. Third line of defence

Internal audit forms the organisation's third line of defence. An independent internal audit function will, through a risk-based approach to its work, provide assurance to the organisation's board of directors and senior management. This assurance will cover how effectively the organisation assesses and manages its risks and will include assurance on the effectiveness of the first and second lines of defence. It encompasses all elements of an institution's risk management framework (from risk identification, risk assessment and response, to communication of risk related information) and all categories of organisational objectives: strategic, ethical, operational, reporting and compliance.

The role of the three lines of defence

Internal audit is uniquely positioned within the organisation to provide global assurance to the audit committee and senior management on the effectiveness of internal governance and risk processes. It is also well-placed to fulfil an advisory role on the coordination of assurance, effective ways of improving existing processes, and assisting management in implementing recommended improvements. In such a framework, internal audit is a cornerstone of an organisation's corporate governance.

The use of the three lines of defence to understand the system of internal control and risk management should not be regarded as an automatic guarantee of success. All three lines need to work effectively with each other and with the audit committee in order to create the right conditions.

The above is an extract from the Institute of Internal Auditors published guidance in relation to the governance of risk.

<https://www.iaa.org.uk/resources/audit-committees/governance-of-risk-three-lines-of-defence/>

Fraud Prevention and Detection and Internal Audit Governance

Fraud Prevention and Detection and the National Fraud Initiative

Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. Internal Audit will continue to investigate instances of potential fraud and irregularities referred to it by managers, and will also carry out pro-active anti-fraud and corruption testing of systems considered to be most at risk to fraud. In recognition of the guidance in the Fraud Strategy for Local Government “Fighting Fraud Locally”, and the TEICCAF (The European Institute for Combatting Crime and Fraud) publication “Protecting the English Public Purse 2016”. Internal Audit will liaise with the Council’s Corporate Fraud Officer, to enable resource to be focussed on identifying and preventing fraud before it happens. Additionally, new guidance recently introduced by CIPFA, in their ‘Code of practice on managing the risk of fraud and corruption’, and also the new Home Office ‘UK Anti-Corruption Plan’, will further inform the direction of counter-fraud arrangements going forwards.

Nationally, the notable areas of fraud include Housing Benefit, Council Tax, Housing and Tenancy, Procurement, Insurance, Abuse of Position, Blue Badges, and Direct Payments (Social Care).

The Cabinet Office runs a national data matching exercise (National Fraud Initiative - NFI) every two years. Work on the 2018/19 exercise has commenced with resulting data matches available from early 2019.

Internal Audit Governance

An element of our work is classified as “other chargeable activities” – this is work that ensures effective and efficient services are provided to the Council and the internal audit function continues to meet statutory responsibilities. In some instances this work will result in a direct output (i.e. an audit report) but in other circumstances the output may simply be advice or guidance. Some of the areas that this may cover include:-

- Preparing the internal audit plan and monitoring implementation;
- Preparing and presenting monitoring reports to Senior Management and the Audit Committee;
- Assistance with the Annual Governance Statement;
- Liaison with other inspection bodies (e.g. Grant Thornton);
- Corporate Governance - Over recent years Internal Audit has become increasingly involved in several corporate governance and strategic issues, and this involvement is anticipated to continue during 2019/20
- On-going development within the Partnership to realise greater efficiencies in the future.

Partnership working with other auditors

We will continue to work towards the development of effective partnership working arrangements between ourselves and other audit agencies where appropriate and beneficial. We will participate in a range of internal audit networks, both locally and nationally, which provide for a beneficial exchange of information and practices. This often improves the effectiveness and efficiency of the audit process, through avoidance of instances of “re-inventing the wheel” in new areas of work which have been covered in other authorities.

The most significant partnership working arrangement that we currently have with other auditors continues to be that with the Council’s external auditors (Grant Thornton) and Audit South West (Internal Audit for NHS).

Appendix 1 - Audit Framework

Internal Audit is a statutory service in the context of The Accounts and Audit (England) Regulations 2015, which state: “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 (PSIAS) or guidance”.

DAP, through external assessment, demonstrates that it meets the Public Sector Internal Audit Standards (PSIAS).

The Standards require that the Chief Audit Executive must “establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals”. When completing these plans, the Chief Audit Executive should take account of the organisation’s risk management framework. The plan should be adjusted and reviewed, as necessary, in response to changes in the organisation’s business, risk, operations, programs, systems and controls. The plan must take account of the requirement to produce an internal audit opinion and assurance framework.

This audit plan has been drawn up, therefore, to enable an opinion to be provided at the end of the year in accordance with the above requirements.



We will seek opportunity for shared working across member authorities. In shared working Devon Audit Partnership will maximise the effectiveness of operations, sharing learning & best practice, helping each authority develop further to ensure that risk remains suitably managed.

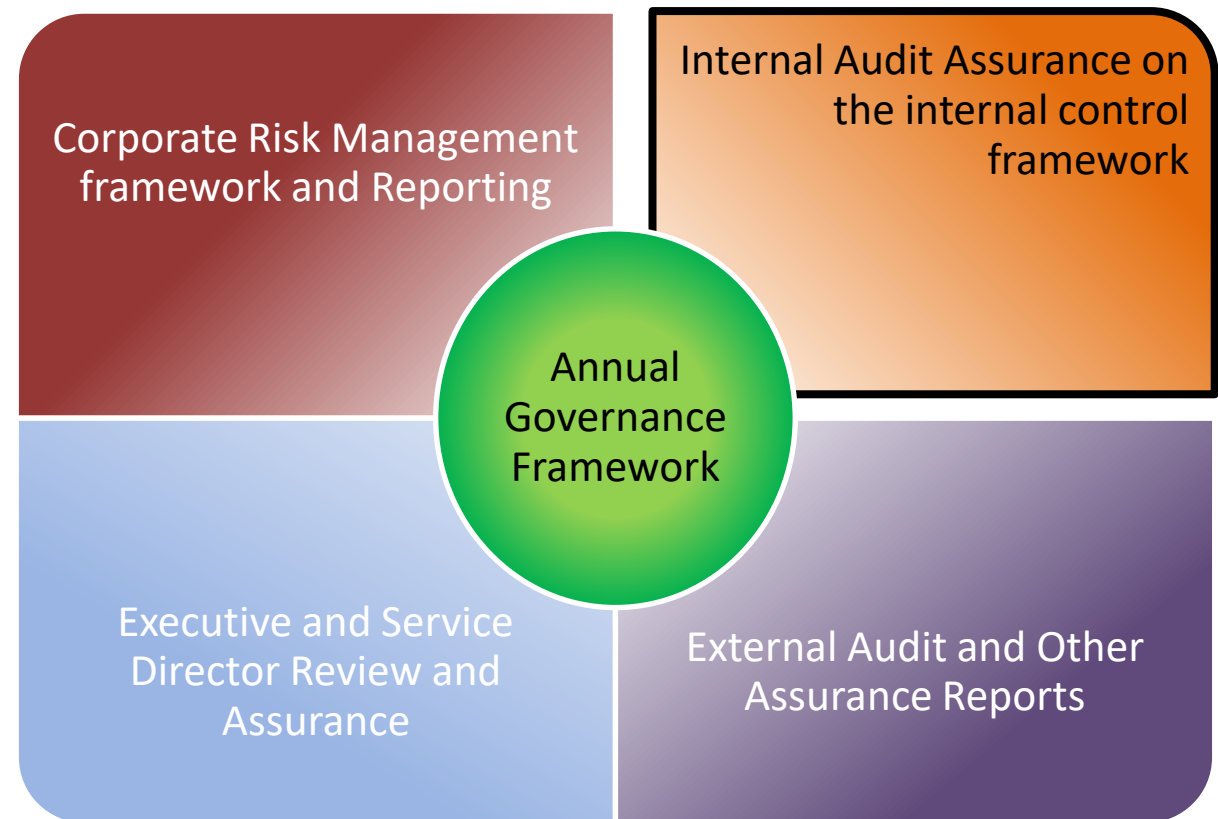
Appendix 2 - Annual Governance Framework Assurance

The Annual Governance Statement provides assurance that

- The Authority's policies have been complied with in practice;
- high quality services are delivered efficiently and effectively;
- ethical standards are met;
- laws and regulations are complied with;
- processes are adhered to;
- performance statements are accurate.

The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should:-

- be prepared by senior management and signed by the Chief Executive and the Mayor;
- highlight significant events or developments in the year;
- acknowledge the responsibility on management to ensure good governance;
- indicate the level of assurance that systems and processes can provide;
- provide a narrative on the process that is followed to ensure that the governance arrangements remain effective. This will include comment upon;
 - The Authority;
 - Audit Committee;
 - Risk Management;
 - Internal Audit
 - Other reviews / assurance
- Provide confirmation that the Authority complies with CIPFA's recently revised International Framework – Good Governance in the Public Sector. If not, a statement is required stating how other arrangements provide the same level of assurance.



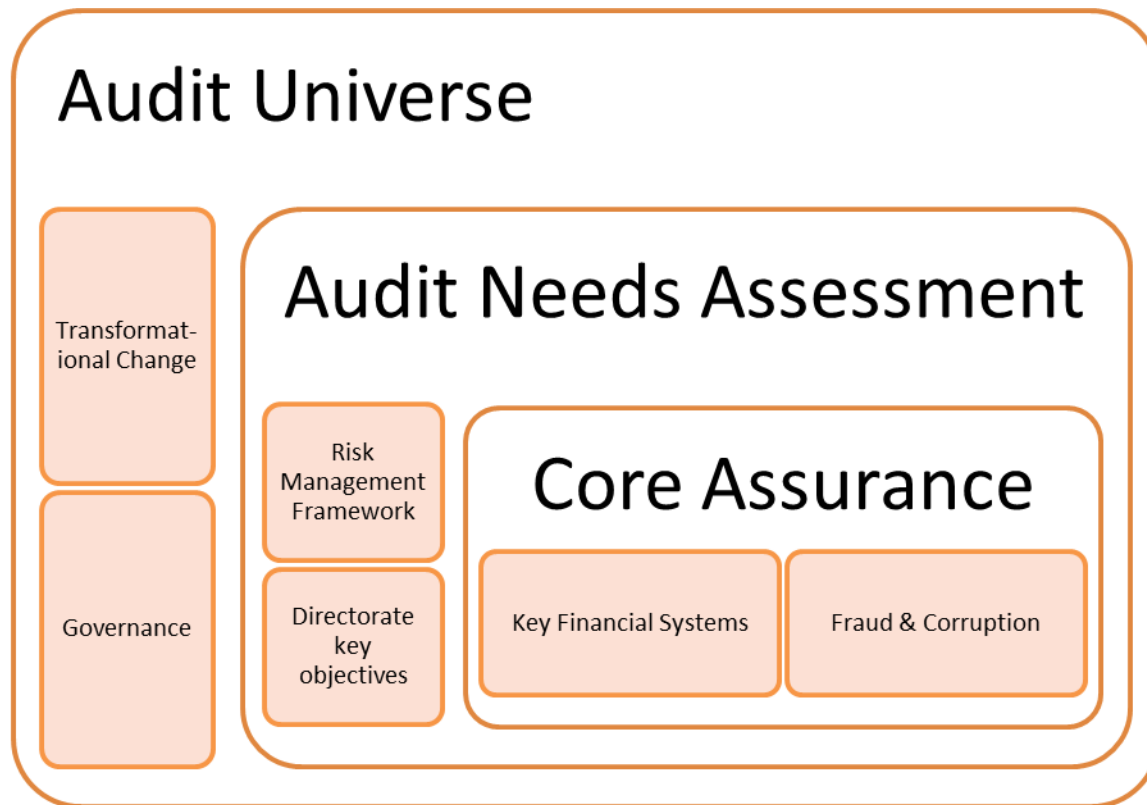
The AGS needs to be presented to, and approved by, the Audit Committee, and then signed by the Chair.

The Committee should satisfy themselves, from the assurances provided by the Annual Governance process, SLT, Internal Audit, and other assurance providers (e.g. Audit South West) that the statement meets statutory requirements.

Appendix 3 - Audit Needs Assessment

We employ a risk based priority audit planning tool to identify those areas where audit resources can be most usefully targeted. This involves scoring a range of systems, services and functions across the whole Authority, known as the “Audit Universe” using a number of factors/criteria. The final score, or risk factor for each area, together with a priority ranking, then determines an initial schedule of priorities for audit attention.

The result is the Internal Audit Plan set out earlier in this report.



The audit plan for the year plan has been created by:

Consideration of risks identified in the Authority’s strategic and operational risk registers

Review and update of the audit universe

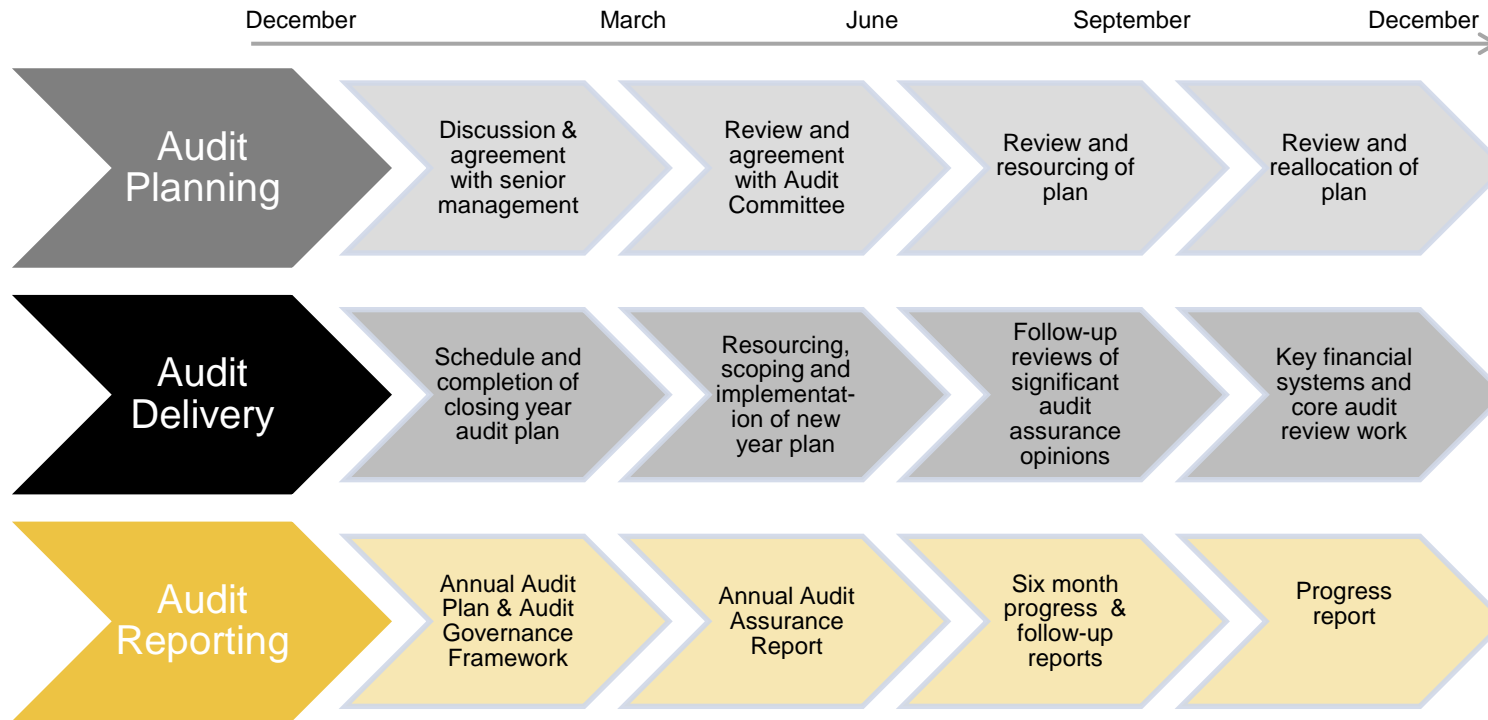
Discussions and liaison with Directors and Senior Officers regarding the risks which threaten the achievement of corporate or service objectives, including changes and / or the introduction of new systems, operations, programs, and corporate initiatives

Taking into account results of previous internal audit reviews

Taking into account Internal Audit’s knowledge and experience of the risks facing the Authority, including factors and systems that are key to successful achievement of the Council’s delivery plans

Requirements to provide a “collaborative audit” approach with the external auditors

Appendix 4 - Our Audit Team and the Audit Delivery Cycle



Date	Activity
Dec / Jan 2019	Directorate planning meetings
March 2019	Internal Audit Plan presented to Audit Committee
	Internal Audit Governance Arrangements reviewed by Audit Committee
	Year-end field work completed
Apr / May 2019	Annual Performance reports written
May 2019	Annual Internal Audit Report presented to Audit Committee
	Follow –up work of previous year’s audit work commences
January 2020	Follow-up and progress reports presented to Audit Committee
January 2020	Six-month progress reports presented to Audit Committee
	2020/21 Internal Audit Plan preparation commences

Robert Hutchins
 Head of Audit Partnership
 T 01392 383000

E robert.hutchins@devonaudit.gov.uk

Lynda Sharp-Woods
 Audit Manager – Torbay Council
 T 01803 207323
 E lynda.sharp-woods@devonaudit.gov.uk

David Curnow
 Deputy Head of Audit Partnership
 T 01392 383000
 M 07794201137
 E david.curnow@devonaudit.gov.uk

Dominic Measures
 Audit Manager – Specialist Services and Schools
 T 01752 306722
 E dominic.measures@devonaudit.gov.uk

This page is intentionally blank