

Is the final decision on the recommendations in this report to be made at this meeting?

Yes**Internal Audit & Assurance Plan 2021/22**

Final Decision-Maker	Audit & Governance Committee
Portfolio Holder	Cllr Dawlings – Portfolio Holder for Finance & Governance
Lead Director	Lee Colyer – Director of Finance, Policy & Development
Head of Service	Rich Clarke – Head of Audit Partnership
Lead Officer/Author	Rich Clarke – Head of Audit Partnership
Classification	Non-exempt
Wards affected	All

This report makes the following recommendations to the final decision-maker:

1. **Approve** the Internal Audit & Assurance Plan for 2021/22. This includes delegating to the Head of Audit Partnership authority to keep the plan current as set out in the appendix.
2. **Note** the Head of Audit Partnership's view that the Partnership currently has sufficient resource to deliver the plan and a robust Head of Audit Opinion.
3. **Note** the Head of Audit Partnership's assurance that the plan is compiled independently and without inappropriate influence from management.

Explain how this report relates to the Corporate Priorities in the Five Year Plan:

- The Internal Audit & Assurance Plan supports good governance which underpins achievement of all the Council's priorities.

Timetable

Meeting	Date
Management Board	24 February 2021
Audit & Governance Committee	30 March 2021

Internal Audit & Assurance Plan 2021/22

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report sets out the proposed plan for Mid Kent Audit's work at Tunbridge Wells Borough Council during 2021/22. The plan provides an overview of the range of areas for potential future examination by internal Audit. It is based on the outcomes of risk assessments and consultation and considers the resources available to the partnership
 - 1.2 The Audit and Governance Committee as part of its terms of reference must retain oversight of the internal audit service and its activities. This includes the Committee's role to formally consider and approve the plan
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2. INTRODUCTION AND BACKGROUND

- 2.1 The [Public Sector Internal Audit Standards](#) (the "Standards") require the audit Partnership to produce and publish a risk based plan, at least annually, to determine the priorities for the year. The plan must consider input from senior management and Members and be aligned to the objectives and risks of the Council.
- 2.2 The purpose of this report is to set out the **annual assurance plan 2021/22** to Members. The report details how the plan is devised, the resources available through the Partnership and the specific audit activities and projects over the course of the year.
- 2.3 The Standards set out the requirements of the Chief Audit Executive (the Head of Audit Partnership fulfils this role for Tunbridge Wells Borough Council) that must be met when creating the audit plan. Specifically, Standard 2010:

2010 Planning

The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals.

Interpretation:

To develop the risk-based plan, the chief audit executive consults with senior management and the board and obtains an understanding of the organisation's strategies, key business objectives, associated risks and risk management processes. The chief audit executive must review and adjust the plan, as necessary in response to changes in the organisation's business, risks, operations, programmes, systems, and controls.

Public sector requirement

The risk-based plan must take into account the requirement to produce an annual internal audit opinion and the assurance framework. It must incorporate or be linked to a strategic or high-level statement of how the internal audit service will be delivered and developed in accordance with the internal audit charter and how it links to the organisational objectives and priorities.

- 2.4 The Audit and Governance Committee needs to obtain assurance on the effectiveness of the control environment, governance and risk management arrangements. The principal source of this assurance is derived from the annual assurance plan.
- 2.5 Standards explicitly support that the plan is flexible and responsive to emerging and changing risks across the year. Therefore, like with the 2020/21 audit plan, the plan includes audit reviews that are **high** priority and those that are **medium** priority. By taking this approach we are able to achieve flexibility within the plan and ensure that the plan remains relevant throughout the year.

Independence

- 2.6 The **Standards** and the **Audit Charter** also set out the importance of internal audit remaining independent and objective. We are pleased to report to Members that we have been able to compile this plan free from undue influence from either officers or Members.
- 2.7 It is also important to note the key role played by this Committee, as set out in the Charter, as guarantors of that independence. The Head of Audit Partnership is bound to discuss any concerns with the Committee Chairman, who should also be the first point of contact for any Members with concerns. We greatly appreciate the support provided by this Committee in safeguarding the independence of Mid Kent Audit.
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3. AVAILABLE OPTIONS

- 3.1 The Audit and Governance Committee as part of its terms of reference must retain oversight of the internal audit service and its activities. This includes the Committee's role to formally consider and approve the plan. The Council could decide that it does not want a programme of work for the audit service, however, this would go against professional Standards.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The appendix sets out the proposed plan for 2021/22, including background details on how we compiled the plan and how we propose to manage its delivery. The preferred option is for the Audit and Governance Committee to consider and approve the plan.

4.2 We confirm to Members that, although the plan has undergone broad consultation with management, it is compiled independently and without being subject to inappropriate influence.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 We consult with Managers, Heads of Service and Directors throughout the year as we undertake our work, but also specifically as part of the audit planning process. The plan attached represents the collective views of management and the audit service.

5.2 The overall resource allocation between the partners is consistent with the collaboration agreement and discussed with the Shared Service Board.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 Work will commence on the audit plan in May 2021 and will be used to inform the Head of Audit Opinion in the summer of 2022.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Legal including Human Rights Act	The Council is required by Regulation to operate an internal audit service, including agreeing a plan at least annually. Therefore, the Council must approve a plan to maintain regulatory conformance.	Rich Clarke Head of Audit Partnership
Finance and other resources	The work programme set out in the plan is fulfilled within agreed resources	
Staffing establishment	The work programme set out in the plan is fulfilled within agreed resources.	
Risk Management	The audit plan draws on the Council's risk management in considering the areas for audit examination. In turn, audit findings will provide feedback on the identification,	

Issue	Implications	Sign-off
	management and controls operating within the risk management process.	
Data Protection	We collect and store information in the course of our audit work examining areas of the Council. We use that information in accordance with our collaboration agreement which, in turn, is in accordance with applicable laws and regulations.	
Environment and Sustainability	No direct implications.	
Community Safety	No direct implications.	
Health and Safety	No direct implications.	
Health and Wellbeing	No direct implications.	
Equalities	No direct implications.	

8. REPORT APPENDICES

The following documents are to be published with and form part of the report:

- Appendix A: Internal Audit & Assurance Plan 2021/22

9. BACKGROUND PAPERS

The appendix includes reference to the Public Sector Internal Audit Standards (full document [at this link](#)). Further background papers, including detailed resource calculations, risk assessments and notes from consultation meetings can be made available on request.