

## BOROUGH OF KETTERING

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<b>Report Originator</b>	Mark Dickenson Head of Resources	<i>Fwd Plan Ref No:</i> N/A	
<b>Wards Affected</b>	All	10 <sup>th</sup> April 2019	
<b>Title</b>	<b>INTERNAL AUDIT PLAN - APRIL 2019 TO MARCH 2020</b>		

### 1. PURPOSE

- 1.1 As part of the Council's statutory obligation to undertake an adequate and effective internal audit of its accounting records and of its system of internal control, it is necessary to consider the level and extent of internal audit coverage for the Council's activities.
- 1.2 This report describes how this requirement has been approached and presents a draft internal audit plan of work for 2019/20 for consideration and approval by this Committee.

### 2 BACKGROUND

- 2.1. The Internal Audit function for Kettering Borough Council is undertaken by Coventry and Warwickshire Audit Services (CWAS).
- 2.2. CWAS have put together a draft Audit Plan for 2019/20 this is detailed at **Appendix A**. This has been discussed with council officers and is presented to the Monitoring & Audit Committee for endorsement.
- 2.3. This report has been produced in accordance with the Public Sector Internal Audit Standards 2013 (PSIAS) published by HM Treasury (updated April 2016).
- 2.4. The proper internal audit practices contained in PSIAS defines the scope of internal audit as covering the whole internal control environment within the Council i.e. not just financial control, but also systems of governance, risk management and internal control. The Audit Plan detailed at Appendix A provides this breadth of scope.
- 2.5. The PSIAS requires an annual opinion on the overall adequacy and effectiveness of the Council's entire control environment. The work contained in the Audit Plan for 2019/20 is sufficient to support the provision of such an opinion. It will also assist with the preparation of the Council's Annual Governance Statement and provides the Council's Section 151 Officer with a source of assurance in discharging their statutory duties regarding the proper administration of the Council's financial affairs.

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## **3 FORMULATION OF THE PLAN**

3.1 The audit plan has been compiled with specific reference to:

- A review of the risks contained within the Council's Risk Management Strategy.
- A series of meetings held with the Head of Resources to identify key auditable areas based on an assessment of current and future issues and risks.
- An understanding of the challenges to the Council to deliver its objectives within the current economic environment and changes in local government legislation.

3.2 The Internal Audit Plan presented to this Committee covers the 2019/20 financial year, previous plans have covered a three year period. At the time of writing the change in the time period the plan covers reflects the potential change to the local government landscape in Northamptonshire.

3.3 The Internal Audit plan provides flexibility for the auditors to support the transition to Unitary should the Secretary of State be minded to create two new Unitary authorities in Northamptonshire and provides flexibility if the Secretary of State were minded to continue with the current local government landscape in Northamptonshire. A total of 35 days has been allocated for emerging risks, for Local Government Reorganisation (LGR), however if LGR were not to take place the 35 days would be allocated to other subject areas, the allocation of the 35 days will be reported back to this Committee.

## **4 REPORTING PROGRESS**

4.1 Progress against delivering the planned work for 2019/20 will be reported to this Committee throughout the year.

## **5 CONSULTATION AND CUSTOMER IMPACT**

5.1 The plan is at the draft stage for Committee to consider.

## **6 POLICY IMPLICATIONS**

6.1 None

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### **7 FINANCIAL RESOURCE IMPLICATIONS**

7.1 None

### **8 HUMAN RESOURCE IMPLICATIONS**

8.1 None

### **9 LEGAL IMPLICATIONS**

9.1 The Accounts and Audit (England) Regulations 2015 require the Council “to undertake an adequate and effective internal audit of its accounting records and of its system of internal control, taking into account public sector internal auditing standards or guidance”.

### **10 RECOMMENDATION**

10.1 That the Monitoring and Audit Committee agree the Audit Plan for April 2019 to March 2020 (as detailed at Appendix A).

Background Papers:

Previous Reports/Minutes:

Title of Document:

Ref:

Date:

Date:

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