

**Allerdale Borough Council**

**Audit Committee – 25 June 2019**

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<b>The Reason for the Decision</b>	To set out how we intend to deliver an Internal Audit Service in line with the Public Sector Internal Auditing Standards (PSIAS) 1 April 2017.
<b>Summary of options considered</b>	To obtain agreement of the Assurance Risk and Audit Charter to the Assurance Risk and Audit Resource Plan for the work to be carried out 2019/20.
<b>Recommendations</b>	To approve the Assurance Risk and Audit Resource Plan and Strategy 2019/20.
<b>Financial / Resource Implications</b>	No additional resource required to deliver this plan.
<b>Legal / Governance Implications</b>	This strategy has been completed in line with the statutory requirements and professional guidance recommendations.
<b>Community Safety Implications</b>	None specific to this matter.
<b>Health and Safety and Risk Management Implications</b>	This contributes to the effectiveness of the Assurance Risk and Audit Team in Enterprise-wide Risk Management.
<b>Equality Duty considered / Impact Assessment completed</b>	Considered – not required.
<b>Wards Affected</b>	None specifically
<b>The contribution this decision would make to the Council's priorities</b>	This will contribute to the achievement of all council plan priority areas.
<b>Is this a Key Decision</b>	No
<b>Portfolio Holder</b>	Councillor John Cook
<b>Lead Officer</b>	Emma Thompson Assurance Risk and Audit Manager (01900) 702988 emma.thompson@allerdale.gov.uk

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## Report Implications (Please delete where applicable)

Community Safety	N	Employment (external to the Council)	N
Financial	Y	Employment (internal)	N
Legal	Y	Partnership	N
Social Inclusion	N	Asset Management	N
Equality Duty	N	Health and Safety	N

### 1.0 Introduction

1.1 The Audit Committee approved the Assurance Risk and Audit (ARA) Strategy on 7 June 2018, this strategy set out how the ARA Manager would develop the resource plan going forward. There have been no significant changes to the methodology for developing the Audit Plan, this has simply been refreshed to include the current priorities. (See appendix A).

1.2 The PSIA's 2010 Planning, requires:

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 (Assurance Risk and Audit Manager) 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

1.3 The resource plan (appendix B) presented for your approval is based on the Assurance Risk and Audit Strategy 2018/19 and incorporates the requirements of the PSIA's and the Audit and Accounts and Audit (England) Regulations 2015 (amended), the Accounts and Audit (Wales) regulations 2005, section 95 of the Local Government (Scotland) Act 1973 and the Amendment to the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006.

1.4 The allocation of days to each area has been taken on a risk based approach based on the total income and expenditure for each area, corporate insight of

risks and issues arising in these areas from discussions with Senior Management, the nature and number of corporate risks and the of corporate priorities assigned for delivery in 2019/20.

- 1.5 The audit reviews have been allocated lead auditors within the plan based on their mix of knowledge, skills and competencies, all audit reviews are supervised by the ARA Manager, and her work is reviewed by the ARA Officer.

<b>Audit Area</b>	<b>Lead Auditor</b>	<b>Days Allocated</b>
Financial Services	ARA Officer	25
Revenues and Benefits	ARA Assistant	15
Risk Management	ARA Officer	7
ICT	ARA Manager / Out Sourced ICT Audit	3
Culture and Ethics	ARA Manager	5
Cash Management	ARA Auditor	10
Procurement	ARA Auditor	15
Transformation & Medium term Financial Plan	ARA Officer	20
Contract Management	ARA Auditor	15
Health and Safety	ARA Auditor	10
GDPR	ARA Manager	4

- 1.6 The plan includes a high level overview of the additional assurance and consulting activities undertaken by the team, these estimated budgets have been devised using previous performance information, corporate insight into activities going forward along with resource for investigations, advice and fraud work.

## **2.0 Finance/Resource Implications**

- 2.1 The plan will be based on the Full Time Equivalent resource of the Assurance, Risk and Audit Team and an additional 15 bought in days for ICT Audit work.

## **3.0 Legal Implications and Risks**

- 3.1 As stated in 1.2 and in accordance with the Public Sector Internal Audit Standards (PSIAS).

## **4.0 Recommendations**

- 4.1 To approve the Assurance Risk and Audit Resource Plan and Strategy 2019/20.

**Emma Thompson**  
**Assurance Risk and Audit Manager**