

## AUDIT COMMITTEE - Draft Annual Internal Audit Plan for 2019/20

<b>Committee name</b>	Audit Committee
<b>Officer reporting</b>	Muir Laurie, Deputy Director of Exchequer & Business Assurance Services (Acting)
<b>Papers with report</b>	Draft Annual Internal Audit Plan for 2019/20
<b>Ward</b>	All

### HEADLINES

The attached report presents the Audit Committee with the planned Internal Audit (IA) approach and activity type for the forthcoming financial year and seeks to:

- Provide all Business Assurance IA key stakeholders with independent assurance that the risks within the Council's fundamental systems and processes are being effectively managed;
- Allow the Council to demonstrate it is complying with the relevant legislation and applicable professional standards;
- Demonstrate the Council's commitment to good governance and compliance with the UK Public Sector IA Standards (PSIAS); and
- Set out that Business Assurance IA resources are being properly utilised.

### RECOMMENDATIONS:

**That the Audit Committee:**

- 1. Notes the Draft Annual Internal Audit Plan for 2019/20 and, subject to any further minor amendments, approve it.**

### SUPPORTING INFORMATION

The outcomes from the work proposed in the 2019/20 IA Plan underpin the Deputy Director of Exchequer & Business Assurance Services (Acting) statutory annual IA opinion statement. This opinion concludes on the overall adequacy and effectiveness of the Council's internal control, risk management and corporate governance arrangements. It also supports the Council's Annual Governance Statement which forms part of the statutory financial statements.

In 2019/20, the Business Assurance service at Hillingdon will continue to apply a fully risk-based approach to its IA coverage. This means that Business Assurance gives greater assurance to the Council because its IA coverage is closer aligned to the key risks to the achievement of the Council's objectives. As a result, Business Assurance will not just be commenting on whether the controls operate, but whether they are the right controls to achieve the overall aims of the service.

In order to deliver this assurance it is vital for the organisation to have a comprehensive IA Plan which gives sufficient risk-based coverage and support to management. To help meet this need, the risk-based IA Plan for 2019/20 has been linked to the organisational objectives and strategic priorities, whilst also taking account of the Council's wider assurance framework.

In preparing the draft Annual IA Plan 2019/20, we have carried out a risk assessment exercise which has involved consideration of risk registers, reviewing committee and HIP reports as well as reports from external inspectorates. Further, the Annual IA Plan has been developed in accordance with the IA Charter and the IA Strategy. We have also consulted with External Audit and all senior managers in addition to considering legislative updates, as well as exercising our own professional judgement.

The ongoing transformational work across the Council results in a fast changing control environment and we will continue with the quarterly IA planning process implemented in 2015/16. This approach provides for a high-level estimation of planned work during the year with detailed operational IA Plans being produced and agreed by the Corporate Management Team and Audit Committee on a quarterly basis. Where requests for work are not urgent, they will form part of the following quarter's operational IA Plan. This allows for greater flexibility in IA coverage of new and emerging risks, which supports the continuously changing risk profile of the Council. This should help ensure that Business Assurance IA resources are directed in a more targeted manner to maximise the benefit to our stakeholders.

## **BACKGROUND PAPERS**

The Business Assurance service holds various background research papers in relation to the Annual IA Plan 2019/20.