

INTERNAL AUDIT STRATEGY 2022-25

Cabinet Member(s)	Cllr Martin Goddard
Cabinet Portfolio(s)	Cabinet Member for Finance
Officer Contact(s)	Muir Laurie, Finance Directorate
Papers with report	Internal Audit Strategy 2022-25

HEADLINES

Summary	This report seeks Cabinet approval for the Business Assurance Internal Audit (IA) Strategy 2022-25.
Putting our Residents First	<p>This report supports the following Council objectives of <i>Strong financial management</i>.</p> <p>The IA team supports the Council's statutory obligation to safeguard public finances through strong financial management. The IA Strategy demonstrates the Council's corporate approach to maintaining a strong control, governance and risk management framework.</p>
Financial Cost	There are no direct financial implications arising from this report.
Relevant Committees	Corporate, Finance and Property Select Committee (scrutiny) Audit Committee (review and monitor)
Relevant Ward(s)	All wards

RECOMMENDATION

That the Cabinet approves the Council's Internal Audit Strategy for 2022-25 as set out in Appendix A.

Reasons for recommendation

This document outlines the approach IA has taken to develop the Internal Audit Strategy (IAS) for the next three years. This IAS is a high-level document, which sets out how the IA service will be delivered and developed over the 2022 to 2025 period. The IA Charter (IAC) underpins the IAS and describes the purpose, authority, responsibility and position of the IA Service within the London Borough of Hillingdon

The quarterly Operational IA Plans provides detail of how this IA service translates into detailed workplans which are presented to the Audit Committee quarterly for approval.

The recommendation is to approve the updated Internal Audit Strategy 2022-25 (including the Internal Audit Charter), which details the strategic approach to IA, which has been updated in response to the significant changes to the risk landscape resulting from the Covid 19 pandemic.

Alternative options considered / risk management

None at this stage.

Democratic compliance / previous authority

As a strategic policy across spanning areas, Cabinet approval is ultimately required.

Audit Committee comments

Audit Committee, which has the remit to review internal audit functions, approved the Internal Audit Strategy 2022-25 at its meeting on 1st February 2022.

SUPPORTING INFORMATION

The role of the Business Assurance Internal Audit Team

IA provides an independent assurance and consultancy service that underpins good governance, which is essential in helping the Council achieve its corporate objectives and realise its vision for the borough of Hillingdon. It is also a requirement of The Accounts and Audit (Amendment) Regulations 2021 that the Authority undertakes an effective IA to evaluate the effectiveness of its risk management, internal control, and corporate governance processes, taking into account UK Public Sector IA Standards (PSIAS).

IA provides an objective opinion to the Council on whether the control environment, corporate governance arrangements and risk management framework are operating effectively. The IA service at Hillingdon will continue to apply a fully risk-based approach to its IA coverage, establishing quarterly risk-based plans to determine the priorities of the IA activity, in accordance with PSIAS 2010 - Planning. This means that IA gives greater assurance to the Council because it is based on the key risks to the organisation's objectives. As a result, we 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.

A strategic approach to Internal Audit

The IA Strategy is a crucial component of the annual assurance opinion statement provided by the Council's Head of IA & Risk Assurance (HIA), to those charged with governance. 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.

Hillingdon, in common with all other councils, faces a number of challenges including post Covid-19 recovery work and an increased demand for services in a number of key areas. The test for Hillingdon Council is therefore to continue to try to balance the needs of our most vulnerable communities with the continually decreasing financial resources.

To help meet this need, the IA Strategy for 2022-25 has been linked to the organisational objectives and strategic priorities, whilst also taking account of the Council's wider assurance framework.

In addition, the IA Strategy contains the IA Charter (which outlines the purpose, authority and responsibility for the IA Service) and also gives consideration to the Counter Fraud Strategy 2022-25 also on the Cabinet agenda for this meeting.

Cabinet is asked to consider the 3-year Internal Audit Strategy for approval following consideration by the Audit Committee.

Financial Implications

There are no direct financial implications linked to the Internal Audit Strategy 2022 to 2025.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon Hillingdon residents, service users and communities?

We aspire to be recognised as a valued business partner to help council services succeed. During a significant period of change we aim to undertake a range of risk-based assurance and consultancy services to deliver key improvements to the way the council works and help improve services to our residents in line with the Hillingdon Improvement Plan (HIP).

Consultation carried out or required

No consultation was carried out in relation to this report. The Internal Audit Strategy does not involve proposals that directly affect residents; therefore, no consultation is required.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance has reviewed the report and concurs with the implications contained within, noting the Internal Audit Strategy 2022-25 which the Audit Committee approved at their meeting on 1st February 2022.

Legal

The Borough Solicitor confirms that the legal implications are included in the body of the report.

BACKGROUND PAPERS

NIL