

Agenda Item 11
Report PR20/21-02

Report to	Policy & Resources Committee
Date	16 July 2020
By	Chief Internal Auditor
Title of Report (Note)	Internal Audit – Strategy and Annual Audit Plan 2020/21

Recommendation: The Committee is recommended to:

- 1. Approve the Internal Audit Strategy and Annual Plan for 2020/21.**
- 2. Delegate authority to the Chief Finance Officer to amend the Annual Audit Plan 2020/21 as he considers appropriate to support the Authority as it enters the Covid 19 pandemic recovery phase.**
- 3. Note that any amendments made to the Annual Audit Plan will be reported to the Committee at the appropriate time.**

1. Introduction

- 1.1 This report presents the Internal Audit Strategy and Annual Plan for 2020/21, which also includes the Internal Audit Charter.
- 1.2 The Strategy and Plan provide key mechanisms for giving assurance that the Authority's internal control, risk management and governance arrangements are effective.

2. Policy Context

- 2.1 The Accounts and Audit Regulations require that a "*relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance*".
- 2.2 In addition, the Public Sector Internal Audit Standards (PSIAS) require "senior management" and "the board" to approve internal audit activity's plans and resource requirements and the Internal Audit Charter.
- 2.3 For SDNPA, the equivalent of "the board" is this Committee.

3. Issues for consideration

- 3.1 A copy of the Internal Audit Strategy and Annual Audit Plan for 2020/21 is shown in **Appendix I**.
- 3.2 The *Strategy* which accompanies the schedule of audits (Annex A to the appendix) details the priorities for delivering an effective internal audit service together with details of the quality assurance and performance management arrangements for the coming year.
- 3.3 The *Internal Audit Charter* (Annex B to the appendix) describes the purpose, authority and

responsibilities on internal audit, its statutory basis and the standards which underpin best practice.

- 3.4 At the time of drafting the Audit plan the impacts of the COVID-19 pandemic are not yet fully known. Therefore, the Committee is asked to agree a delegation to the Chief Finance Officer to enable him to amend the plan, as necessary, throughout the year to support the Authority as it enters the pandemic recovery phase. Any changes made to the plan will be reported to the Committee through the regular progress reporting.

- 3.5 Training can be provided to Members to support them in their Committee duty relating to the role of Internal Audit.

4. Other Implications

Implication	Yes/No
Will further decisions be required by another committee/full authority?	No
Does the proposal raise any Resource implications?	No. The Internal Audit plan should be delivered within the agreed audit fee.
How does the proposal represent Value for Money?	The Internal Audit Service is provided through a contract with Brighton & Hove City Council which formed part of a wider procurement of financial services.
Are there any Social Value implications arising from the proposal?	No
Have you taken regard of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010?	No adverse implications have been identified.
Are there any Human Rights implications arising from the proposal?	No
Are there any Crime & Disorder implications arising from the proposal?	No, but the service includes the provision of advice and investigation of frauds and irregularities when required.
Are there any Health & Safety implications arising from the proposal?	No, but individual audits consider health and safety risks where appropriate.
Are there any Data Protection implications?	No, but individual audits consider GDPR issues where appropriate.
Are there any Sustainability implications based on the 5 principles set out in the SDNPA Sustainability Strategy?	No, but individual audits consider these principles where relevant, particularly around the Principle 4, "Promoting good governance"

5. Risks Associated with the Proposed Decision

- 5.1 Internal Audit has an important role to play in relation to effective risk management for the organisation. The SDNPA risk register is considered when developing the Internal Audit

Strategy and Plan and the planning of individual audit reviews. Audit review and testing of controls are orientated towards these risks plus the operational controls within individual systems and services.

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for South Downs National Park Authority

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Appendices	I. Internal Audit Strategy and Annual Audit Plan 2020/21 Annex A: 2020/21 Audit Plan Annex B: Internal Audit Charter
SDNPA Consultees	Chief Executive; Director of Countryside Policy and Management; Director of Planning; Chief Finance Officer; Monitoring Officer; Legal Services, Head of Governance; Business Service Manager
External Consultees	None
Background Documents	None