

Agenda item 8
AGS/71/20

Report title: Revised Internal Audit Plan 2020/21	
Report to: Audit, Governance and Standards Committee	
Report author: Paula Clowes – Head of Assurance	
Date: 6 July 2020	For: Approval.
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County Divisions affected: All Essex	

1. Purpose of Report

- 1.1 This report asks the Committee to approve the ECC Draft Revised Internal Audit Plan for 2020/21.

2. Recommendations

- 2.1 The 2020/21 Revised Internal Audit and Counter Fraud Plan be approved in the form at appendix 1 to this report.

3. Summary of issue

- 3.1 The draft Internal Audit Plan for 2020/21 was originally presented an informal remote meeting of the members of the Audit, Governance and Standards committee in March 2020 and agreed in principle, although the plan could not be formally approved since law at the time did not permit formal remote meetings and we were unable to meet in person as a result of government advice. Since this time ECC has been, and continues to, respond to the Covid-19 pandemic which has caused significant disruption to some service delivery and a major change in ways of working.
- 3.2 As a result of the impacts of Covid-19 a full review of the draft Internal Audit and Counter Fraud Plan has been carried out to take account of the situation and ensure that it is revised to focus on the Council's significant risks as they are now perceived. In addition we recognise that we need to be mindful of taking a proportionate approach to internal audit and counter fraud to allow County Council staff and Members to focus on the priorities that have arisen as a result of Covid-19, but we are also cognisant of the fact that in some areas of the Council this unprecedented situation has heightened risks and/or presented unexpected opportunities.
- 3.3 In reviewing the Plan we have also reflected on the resources available within the Internal Audit and Counter Fraud Team and our external delivery partner to ensure that the planned reviews are still likely to be deliverable. In addition

to the material changes to the plan, we are considering the impact of Covid-19 for each individual review that we undertake during the year and including appropriate testing where relevant.

- 3.4 Notwithstanding Covid-19 impacts, coverage within the plan, combined with other sources of assurance, should be sufficient to enable the Head of Assurance in her capacity as the chief audit executive to provide the Audit, Governance and Standards Committee with an independent, objective, and evidence based opinion on the overall adequacy and effectiveness of the Council's system of internal control. The planned coverage will also inform the Council's Annual Governance Statement.
- 3.4 The revised version of the draft plan is attached at appendix 1 and a detailed breakdown of all the proposed changes since the plan was considered by members of the Committee in March 2020 is attached at appendix 2.

4. Financial Implications

- 4.1 There are no financial implications as the Internal Audit activity for 2019/2020 will be met within existing resources.

5. Legal Implications

- 5.1 Internal audit is a key way in which councillors can be assured that the Council is using its resources effectively and that the Council is discharging its fiduciary duties concerning taxpayers' money. It helps services to design systems which have appropriate controls and also helps identify and respond to breaches if they occur.
- 5.2 The internal audit plan is key document for Audit Committees. It is important that the Committee considers that the planned audits cover areas of concern to the Committee so that it can receive the required assurance.

6. Staffing and Other Resource Implications

- 6.1 It is anticipated that the plan will be delivered using existing staff and contractors, as in previous years. There are no staffing or resource implications.

7. Equality and Diversity Implications

- 7.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when ECC makes decisions it must have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 7.3 Equality and diversity matters have been considered in the production of the Internal Audit Plan.

8. List of Appendices

Appendix 1- Draft Revised Essex County Council Internal Audit and Counter Fraud Plan 2020/21

Appendix 2 - Amendments to the Internal Audit and Counter Fraud Plan 2020/21

9. Background Papers

ECC Organisational Strategy
ECC Strategic Risk Register
ECC Fraud Risk Assessment
Public Sector Internal Audit Standards