



Doncaster Council

Report

29th July 2021

To the Chair and Members of the AUDIT COMMITTEE

INTERNAL AUDIT STRATEGY AND INTERNAL AUDIT CHARTER

EXECUTIVE SUMMARY

1. The Committee is asked to consider the attached Internal Audit Strategy and the terms of reference for Internal Audit, which are set out in the Internal Audit Charter. The Committee has responsibility for considering the Internal Audit terms of reference.
2. The Strategy and Charter were reviewed in July 2017 in order to take into account the significant changes to Internal Audit Standards and recommendations made in the peer review carried out by Kirkless Council in 2017. Since then, the documents have been fully reviewed and updated on an annual basis to take into account changes required, primarily through the latest guidance issued in the form of an Application Note from CIPFA. This year a full in depth review has been undertaken to take into account current changes in the way the team is operating and ways of working and sets out the strategy for the period 2021-2024. The Strategy has been produced to meet the evolving needs of the Council and will continue to be revised to complement the digital, innovative and intelligence led organisation that it is striving to be.

EXEMPT REPORT

3. The report does not contain exempt information.

RECOMMENDATIONS

4. The Committee is asked to;
 - Approve the Internal Audit Strategy for the period 2021-2024.
 - Approve the Internal Audit Charter.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

5. Regular reviews of the Internal Audit Charter and Strategy ensures the service has considered the service it is offering to the Council and is operating to best current professional practice. The work undertaken by Internal Audit improves and strengthens governance arrangements within the Council and its partners, which add value to the authority and citizens of Doncaster. It also enhances and protects organisational value in line with the mission of Internal Audit as set out in its professional standards.

BACKGROUND

INTERNAL AUDIT STRATEGY

6. The overall strategic direction of the Council's Internal Audit Service for 2021-2024 is set out within the Internal Audit Strategy. The Strategy has been reviewed in line with the requirements of the UK Public Sector Internal Audit Standards and current best practice and has been updated to reflect current practices. No key changes were required to the Strategy due to the changes previously made in 2017 that were required in order to comply with the 2017 Standard changes.
7. The Internal Audit Strategy supports the delivery of the Corporate Plan, focusing on enhancing and protecting organisational values, improving the effectiveness of risk management, control and governance processes. The unprecedented circumstances of the coronavirus pandemic have shaped the stance for 2021/22 and future ways of working. Existing Council risks have changed during the pandemic forcing them to be considered and viewed differently. This led to rapidly evaluating what Internal Audit could deliver in 2020/21, frequently revisiting agreed audit priorities and plans with managers to determine new key priorities. By exploiting this agile approach, we were able to provide real time assurance that was targeted at the risks of greatest concern.
8. The strategy for 2021/22 and going forward is to accelerate this approach by exploiting this more agile, nimble and quick approach indefinitely; continuing to be forward-looking, proactive and continuing to work as closely with the Council as possible, in order to understand its risks and needs. This independent, agile and flexible approach provides for insight as required by our professional standards into the Council and its risks during what is considered to still be a challenging period for the Council. This audit strategy drives the internal audit plan for 2021/22 and beyond.

INTERNAL AUDIT CHARTER

9. The Internal Audit Charter sets out the Terms of Reference for the Internal Audit Service. The Internal Audit Charter must comply with the United Kingdom Public Sector Internal Audit Standards (UKPSIAS) and be consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for Professional Practice of Internal Auditing, the Code of Ethics and the Definition of Internal Auditing). The Charter also confirms the authority and responsibility conferred by the Council on its Internal Audit Section with respect to carrying out its agreed functions.

10. There are three new sections added to the Charter these are detailed below:
- a. Agile Audit Approach: Whilst we have for many years operated in a flexible and customer focused manner, we are focusing on adopting and embedding an ‘agile-audit’ approach. The main differences being flexibility and to help the Council look forward and address issues that could affect performance. We have a core focus on collaboration and communication between the Audit team and all stakeholders throughout the entire process and experience. While audit quality is always a key driver and consideration, the priority is on speed and efficiency. The benefit of this approach allows a clear direction and ongoing communications, which results in a collaborative / iterative approach by continually reviewing and assessing our audit plans. This approach focuses on individuals and interactions and accelerates the delivery of insight. We will continue to develop this approach during the period of the strategy and learn best practice from others.
 - b. Agile Audit Plans - An agile auditing planning approach is in operation, which provides flexibility. Instead of rigid, single-phase planning, agile auditing centres around fluid, iterative planning on an ongoing basis. The elastic planning cycle of agile audit allows for the prioritisation of tasks based on risks and the Council’s needs.
 - c. Assurance Services provided by External Parties - Internal Audit have commissioned specialist IT audit services from a Local Authority Internal Audit Team who have produced an IT Audit Needs Assessment. The outcome from this is incorporated into future internal audit plans. Some of the IT audits are delivered by the contracted Local Authority Internal Audit Team to provide addition capacity and benefit from the specialist expertise.

OPTIONS CONSIDERED

11. Not Applicable – for information only

REASONS FOR RECOMMENDED OPTIONS

12. Not Applicable – for information only

IMPACT ON THE COUNCIL’S KEY OUTCOMES

13. The Head of Internal Audit has considered the environment in which the internal audit service operates as well as regulatory requirements on and for the internal audit service in the Council. These have been incorporated into the documents presented to the Committee for consideration and recommendation.

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work 	

	<ul style="list-style-type: none"> • Doncaster businesses are supported to flourish • Inward Investment 	
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes. 	
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and 	<p>The work undertaken by Internal Audit improves and strengthens governance arrangements within the Council and its partners.</p>

	aspirations of residents <ul style="list-style-type: none"> • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	
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RISKS AND ASSUMPTIONS

14. The operation of an effective internal audit service provides assurance on the effective management of risks and internal controls. The adherence to an appropriate service strategy with the right terms of reference allows the service to fulfil this assurance role as well as contribute to other Council outcomes.

LEGAL IMPLICATIONS (SF 15/07/21)

15. There are no specific legal implications associated with this report. The individual matters listed in the Appendix have all been subject to appropriate legal advice at the time of consideration by the Audit Committee.

FINANCIAL IMPLICATIONS [ST 15/07/21]

16. There are no specific financial implications associated with this report.

HUMAN RESOURCES IMPLICATIONS [RH 19/07/21]

17. There are no specific human resources issues associated with the contents of this report.

TECHNOLOGY IMPLICATIONS [PW 15/7/21]

18. There are no specific technology implications in relation to this report. As outlined in the body of the report, an IT Audit Needs Assessment has been produced and incorporated into future internal audit plans.

EQUALITY IMPLICATIONS [PJ 20/07/21]

19. We are aware of the Council's obligations under the Public Sector Equalities Duties and there are no identified equal opportunity issues within this report.

HEALTH IMPLICATIONS [RS 14/07/21]

20. Good governance is important for healthy organisations and for healthy populations. The audit strategy and charter demonstrate this. Specific health implications should be addressed through individual audits and action plans.

CONSULTATION

21. This report consults with members of the Audit Committee over the Internal Audit Strategy and Internal Audit Charter for the period 2021-2024.

BACKGROUND PAPERS

22. The United Kingdom Public Sector Internal Audit Standards.

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