

Changed Internal Audit & Assurance Plan 2020/21

About the Plan and Planning

1. The [*Public Sector Internal Audit Standards*](#) (the “Standards”) set out how we must approach audit planning. Specifically, the Standards say that we “must establish risk-based plans to determine the priorities of internal audit, consistent with the organisation’s goals”. The Standards note this must support the annual opinion but there is no direction for an annual plan. On the contrary, the Standards expect Heads of Audit should adapt plans to reflect developing risks.
2. There can be little doubt the Covid-19 emergency has significantly altered the authority’s risks and priorities for 20/21. We summarised in our Annual Report a few of the ways that this impacted the audit team specifically, most obviously in diverting audit time towards the emergency response.
3. Given the scale of change, we wanted to bring the plan back to Members so they could see changes since the Spring. Our aim is providing visibility on the changes and reassuring Members that we have (and will continue to) keep the plan flexible.
4. **Risk Sources and Information**
5. In preparing this plan we consulted widely within the audit profession. This included leveraging our sector groups for information, including the newly formed Institute of Internal Audit Local Government Forum and the Local Authority Chief Auditors’ Network. We also conducted research on published audit plans across various authorities, paying attention to changes that would be relevant in Mid Kent.
6. We also consulted senior managers across the Council on changes to their risks and priorities. This plan reflects the result of these risks, which we will keep under review.
7. **Audit Resources**
8. Within Mid Kent Audit, Covid-19 has had various impacts on the 1,810 available days across the partnership for the audit year 2020/21. The most significant impacts, at partnership level:
 - 190 days of 2019/20 work displaced into 2020/21 by early redeployment.
 - 70 days of redeployment in the 2020/21 audit year.
 - 175 days resulting from holding a vacancy while councils consider their longer term resource positions, and seeking to bring forward 2020/21 year end to avoid risk of overspill into 2021/22.

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9. The table below shows how this impacts audit time at Swale Borough Council

ORIGINAL: DAYS IN 20/21 PLAN	LESS: IN-YEAR REDEPLOYMENT	LESS: PRIOR YEAR WORK BFWD	LESS: VACANCY & YEAR-END	FINAL: REMAINING DAYS
450	(16)	(44)	(40)	350
270			Risk Based Audit	218
120			Governance	84
60			Consultancy	48

10. Although this represents a loss of time, we have tried to concentrate this on consultancy and governance roles. This may mean that some desirable tasks such as introducing software to track risk will experience delay.

Substantive Plan Changes

11. The table below shows planned changes to audit engagements.

Engagement Title	Priority & Change	Change Comments
CCTV	High Removed	Fall in activity lowers audit risk
Leisure Contract Management	High Removed	Significant fall in operating hours of facilities lowers audit risk
Equalities	Medium Removed	Removed to focus audit time on higher priority areas
Planning Administration	Medium Removed	Significant fall in application numbers lowers audit risk
Traffic Regulation Orders	Medium Removed	Significant fall in traffic in early part of the year lowers audit risk.
Community Hub Support	High Added	New high profile and spend service delivered at start of the year. Audit will aim to provide assurance on controls within the Hub.
Remote IT Access	High Added	Significant increase in remote access demands with homeworking. Audit will examine arrangements for managing access and keeping systems accessed remotely secure.

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12. We list below the unchanged engagements on the plan. We are not currently expecting headline changes to these engagements. However we will enquire at planning stage on specific Covid-19 impact, adapting our approach in response. This may result in further changes as the year progresses.

Retained Plan Audit Engagements 2020/21

High Priority Engagements	Medium Priority Engagements
Contract Management	Climate Change
Electoral Registration	Accounts Payable
Rent Deposit Scheme	General Ledger
Rough Sleeper Service	Income Management
Bailiff Service	Project Management
IT Back-Up	Developer Income
Air Quality	Cemeteries
	IT Asset Management
	Pay & Display

13. Our original plan in the Spring expected 100% completion of high priority engagements and 50% of medium priority. Despite our reduced resources we still aim to review all high priority engagements, but will now only review 40% of medium. All engagements noted will remain in our audit universe and be eligible for consideration in future audit plans based on the prevailing risk. Our aim remains to cover the entire audit universe at least once in a five to six year cycle.

Conclusion

14. We will continue to keep the plan under review through the year. I remain able to assure the Committee that we have enough resources to deliver the plan and that we have compiled the plan free from undue influence. We will update Members on progress against the plan later in the year, and keep it under review.