

Dorset Council

Approach to Internal Audit Planning 2021/22

and Internal Audit Charter

Internal Audit Planning 2021/22: A Revised Approach

The work of internal audit should align strategically with the aims and objectives of the organisation; taking into account key risks, operations and changes.

In order to do this Internal Audit needs to be flexible in adapting audit plans to handle rapidly changing risks, priorities and challenges.

It is the responsibility of the Senior Leadership Team, and the Audit & Governance Committee to ensure that the audit work scheduled and completed throughout the year contains sufficient and appropriate coverage of key risks.

Approach to Internal Audit Planning 2021/22

Background

Over the past year, as a result of the COVID pandemic, SWAP, like Dorset council, has had to adapt, re-prioritise, and shift focus. Whilst 2020/21 was an exceptional year, it has demonstrated the need for a fully flexible and responsive approach to audit planning. Although 2021/22 is likely to offer more stability in operations, we are looking to build on our new planning approach, ensuring that we are supporting the Council by collaboratively aligning our work to its aims, objectives and key risks. This should ensure that we are auditing the right things, at the right time; enabling us to provide insight and value when and where it is required.

Approach to Internal Audit Planning 2021/22

Our approach to internal audit planning throughout 2021/22 will be a continuous risk assessment and rolling plan approach. Rather than present a proposed annual plan at the start of the year, which is subject to a high level of uncertainty and change, we will build our plan in conjunction with management as the year progresses.

The resulting programme will be a combination of requested audit work aligned to service priorities, combined with audit work recommended by SWAP driven by our continuous risk assessment. This risk assessment will be based on the live status of both the Council's strategic and service risk registers, as well as the Council's performance management data. Overlaid onto this assessment will be SWAP's sector-wide top 10 risk areas, and consideration of the eight strands of our 'Healthy Organisation' framework. The results of our risk assessments will be shared with Senior Management in Directorates through our Audit Business Partners to obtain their view on the value of internal audit involvement. In developing risk assessments, we will also take account of other sources of assurance, where relevant.

As the year progresses, we will update the committee through our usual quarterly update report on internal audit activity. It will be through this process and through regular access to the [live audit tracker](#) that the Senior Leadership Team and Audit & Governance Committee members will be able to assess whether the audit work building throughout the year provides sufficient and appropriate coverage of key risks.

Delivery of an internal audit programme of work that provides sufficient and appropriate coverage of key risks, will enable us to satisfy our requirement to provide a well-informed and comprehensive year-end annual internal audit opinion. Our audit work is governed by our Internal Audit Charter, attached at Appendix 1.

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We would encourage SLT and the Audit & Governance Committee to regularly review our live audit plan to assess our rolling internal audit coverage.



A Rolling & 'Live' Programme of Audit Work

A 'live' record of our internal audit programme – Planned, In Progress & Completed work

Throughout 2020/21 we have developed and refined a live audit tracker document which is held on the Council's Audit, Fraud and Risk Management [Teams site](#) ('Audit' Channel > Files > Internal Audit Plan and Tracker).

This document provides an assessment of how our audit work is building throughout the year to enable SWAP to provide an annual opinion on the Council's governance, risk management and control environment. The continuous risk assessment and planning approach highlighted above, aims to ensure that we have a reasonable and equitable spread of work covering the Authority's key strategic risks.

The tracker document contains all work we have completed across the year, and any work is in progress along with the status of that work.

We also highlight within the tracker any work that has been 'Deferred' or 'Removed' from our programme of work, and the reasons for this.

The final key tab is the 'Future Proposed Audits'. This is our rolling audit plan and details audit work that we plan to undertake in future, along with an assessment of the priority and timing of that work.

This will help to confirm:

- **That the internal audit plan builds throughout the year to provide adequate coverage of the key risks faced by the organisation**
- **That sufficient assurance is being received to monitor the organisation's risk profile effectively; and**
- **That the areas included on the Future Proposed Audits remain appropriate, with an accurate priority and risk assessment.**

Internal Audit Planning 2021/22: SWAP Internal Audit Services

SWAP Internal Audit Services is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes 25 public sector partners.

Over and above our internal audit service delivery, SWAP will look to add value throughout the year wherever possible. This will include:

- Benchmarking and sharing of best-practice between our public-sector Partners
- Regular updates containing emerging issues, risks and fraud alerts identified across the SWAP partnership and beyond

As a company, SWAP has adopted the following values, which we ask our clients to assess us against following every piece of work that we do:

- Candid
- Relevant
- Inclusive
- Innovative
- Dedicated



Your Internal Audit Service

Audit Resources

The 2021/22 internal audit programme of work will be equivalent to 1,464 days, as agreed by the s151 officer and Service Manager for Assurance. This represents a reduction of approximately 254 audit days (15%) from 2020/21.

The current internal audit resources available represent a sufficient and appropriate mix of seniority and skill to be effectively deployed to deliver the expected work. Clearly with a reduction in the audit budget for 2020/21, there will be a reduction in the breadth of coverage we are able to provide. Alternative sources of assurance should be sought/ identified where internal audit coverage of key risks has not been undertaken.

The key contacts in respect of your internal audit service for Dorset Council are:

Rupert Bamberger, Assistant Director – rupert.bamberger@swapaudit.co.uk, 07720 312464

Sally White, Principal Auditor – sally.white@swapaudit.co.uk, 07823 473648

External Quality Assurance

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors (IPPF).

Every three years, SWAP is subject to an External Quality Assessment of Internal Audit Activity. The last of these was carried out in March 2020 which confirmed 'General Conformance' with the IPPF.

Conflicts of Interest

We are not aware of any conflicts of interest within Dorset Council that would present an impairment to our independence or objectivity. Furthermore, we are satisfied that we will conform with our IIA Code of Ethics in relation to Integrity, Objectivity, Confidentiality, & Competency.

Our Reporting

A summary of internal audit activity will be reported quarterly to Senior Leadership Team (SLT) and the Audit & Governance Committee (*as well as our 'live' audit tracker highlighted above being available throughout the year*). Our reporting to SLT and the Audit & Governance Committee will include any significant risk and control issues, governance issues, and other matters that require the attention of SLT and/or the Audit & Governance Committee. We will also report any response from management to a risk we have highlighted that, in our view, may be unacceptable to the organisation.