

*Report Number: SWT 63/20*

## **Somerset West and Taunton Council**

### **Audit, Governance and Standards Committee – 11 March 2020**

#### **SWAP Internal Audit – 2020-21 Internal Audit Plan and Internal Audit Charter**

**This matter is the responsibility of Executive Councillor Ross Henley**

**Report Author: Alastair Woodland, Assistant Director, SWAP**

#### **1 Executive Summary / Purpose of the Report**

- 1.1 This report introduces the Internal Audit Plan for 2020/21 and also incorporates an 'Internal Audit Charter' which sets out the operational relationship between Somerset West and Taunton (SWT) and the South West Audit Partnership (SWAP).
- 1.2 This is a flexible plan that may be amended during the year to deal with shifts in priorities or new and emerging risks. The following plan has the support of the Section 151 Officer and has been approved by the Senior Management Team.

#### **2 Recommendations**

- 2.1 Members are requested to approve the Internal Audit Plan for 2020/21.
- 2.2 Members are requested to approve the Internal Audit Charter.

#### **3 Risk Assessment (if appropriate)**

- 3.1 Any large organisation needs to have a well-established and systematic risk management framework in place to identify and mitigate the risks it may face. SWT has a risk management framework, and within that, individual internal audit reports deal with the specific risk issues that arise from the findings. These are translated into mitigating actions and timetables for management to implement.

## Risk Matrix

Description	Likelihood	Impact	Overall
Without the delivery of the approved audit plan there is the risk of insufficient audit work being completed to provide a reasonable assurance to stakeholders that there is an effective control framework in place, adequately mitigating risks to the authority's risk appetite.	3	3	9

## Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
<b>Impact</b>							

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

## 4 Background and Full details of the Report

- 4.1 The Internal Audit service for Somerset West and Taunton is delivered by SWAP.
- 4.2 Somerset West and Taunton's audit plan for 2020-21 is based on 380 days.
- 4.3 The internal audit plan for 2020/21 is set out in the attached report from SWAP. I am satisfied that this plan is focussed on key risks areas and will help me provide Somerset West and Taunton Council with assurance on internal controls.

- 4.4 This has been discussed and supported by the Council's Senior Management Team and is now shared with Members for approval.

### **Internal Audit Charter**

- 4.5 The internal audit service provided by the SWAP, works to a Charter that defines its roles and responsibilities and the roles and responsibilities of the Council's managers as they relate to internal audit. Best practice in corporate governance requires that the Charter be reviewed and approved annually by the relevant Committee.

## **5 Links to Corporate Strategy**

- 5.1 Delivery of the corporate objectives requires strong internal control. The attached report provides a summary of the audit work carried out to date this year by the Council's internal auditors, SWAP Internal Audit Services.

## **6 Finance / Resource Implications**

- 6.1 There are no specific finance issues relating to this report.

## **7 Legal Implications (if any)**

- 7.1 There are no specific legal issues relating to this report.

## **8 Climate and Sustainability Implications (if any)**

- 8.1 There are no direct implications from this report.

## **9 Safeguarding and/or Community Safety Implications (if any)**

- 9.1 There are no direct implications from this report.

## **10 Equality and Diversity Implications (if any)**

- 10.1 There are no direct implications from this report.

## **11 Social Value Implications (if any)**

- 11.1 There are no direct implications from this report.

## **12 Partnership Implications (if any)**

- 12.1 There are no direct implications from this report.

## **13 Health and Wellbeing Implications (if any)**

- 13.1 There are no direct implications from this report.

## **14 Asset Management Implications (if any)**

- 14.1 There are no direct implications from this report.

**15 Data Protection Implications** (if any)

15.1 There are no direct implications from this report.

**16 Consultation Implications** (if any)

16.1 There are no direct implications from this report.

**17 Scrutiny Comments / Recommendation(s)** (if any)

N/A

**Democratic Path:**

- **Corporate Governance and Standards Committees – Yes**
- **Cabinet/Executive – No**
- **Full Council – No**

**Reporting Frequency: Quarterly**

**List of Appendices (delete if not applicable)**

Appendix A	SWAP Internal Audit – 2020-21 Internal Audit Plan & Charter
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