

23 September 2021 at 7.00 pm

Council Chamber, Argyle Road, Sevenoaks



Audit Committee

Presentation

	Pages	Contact
5. Audit Committee Member Development - Internal Audit and the Role of the Audit Committee	(Pages 1 - 12)	Adrian Rowbotham Tel: 01732 227153

If you wish to obtain further factual information on any of the agenda items listed above, please contact the named officer prior to the day of the meeting.

Should you need this agenda or any of the reports in a different format, or have any other queries concerning this agenda or the meeting please contact Democratic Services on 01732 227000 or democratic.services@sevenoaks.gov.uk.

This page is intentionally left blank

Internal Audit and the role of Audit Committee

Francesca Chivers

What is Internal Audit?



Internal Audit is

“An independent, objective assurance and consulting function that is designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”

(Public Sector Internal Audit Standards 2017)

Sevenoaks District Council is required to

“undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.”

(Accounts and Audit Regulations 2015)

Service Vision



To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

(IA Service Plan 2021-22)



Service Challenges and Priorities

- **Quality - Aligning the service with professional standards**
 - External Quality Assessment
 - Action Plan from quality assurance activity
- **Efficiency - Delivery of the annual audit plan**
- **Customer Service - Modernising the Service**
 - New, emerging and changing risks
 - Flexible and adaptable planning
 - Skills, tools and techniques



New, emerging and changing risks



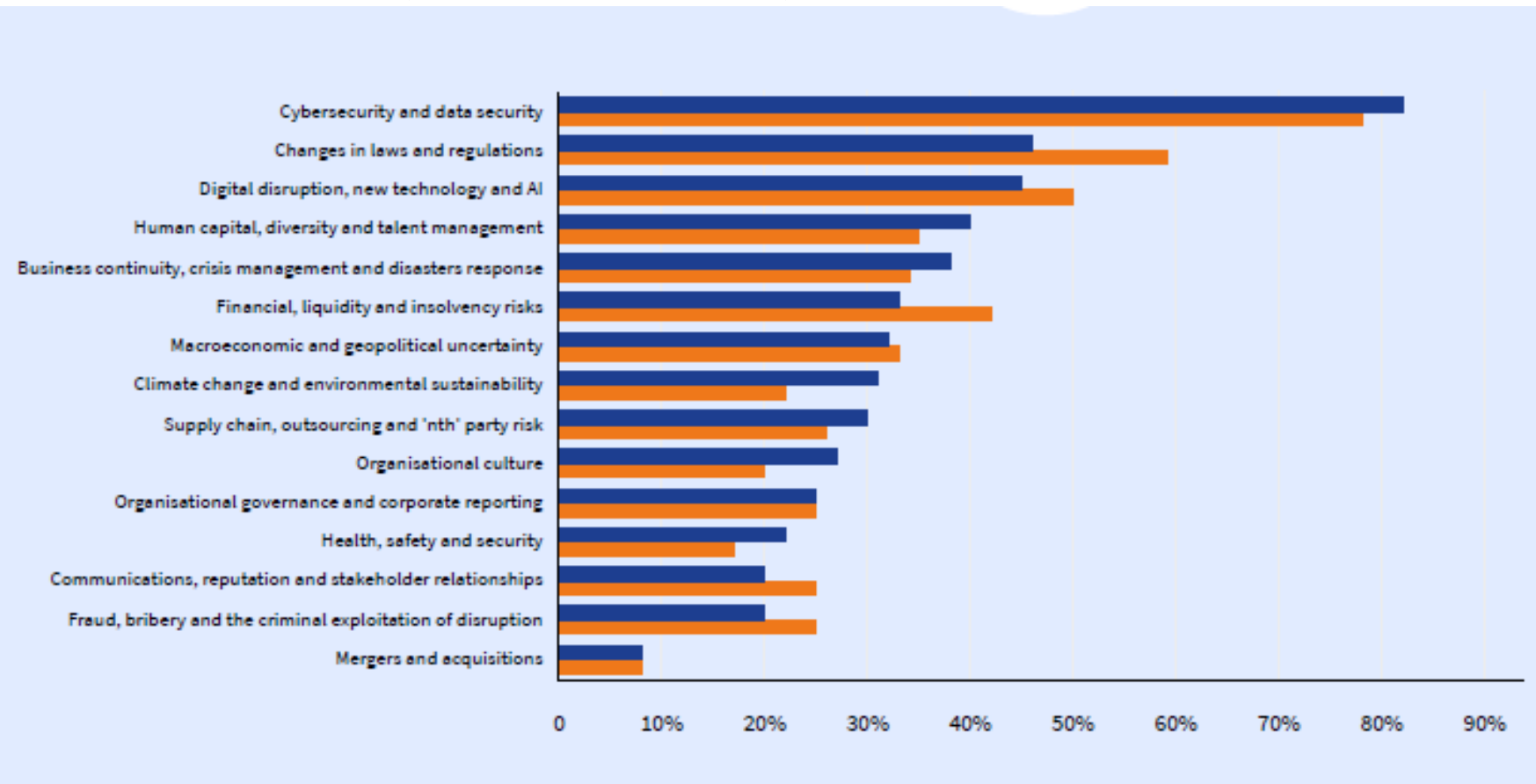
Risk in Focus (IIA 2020-2021)



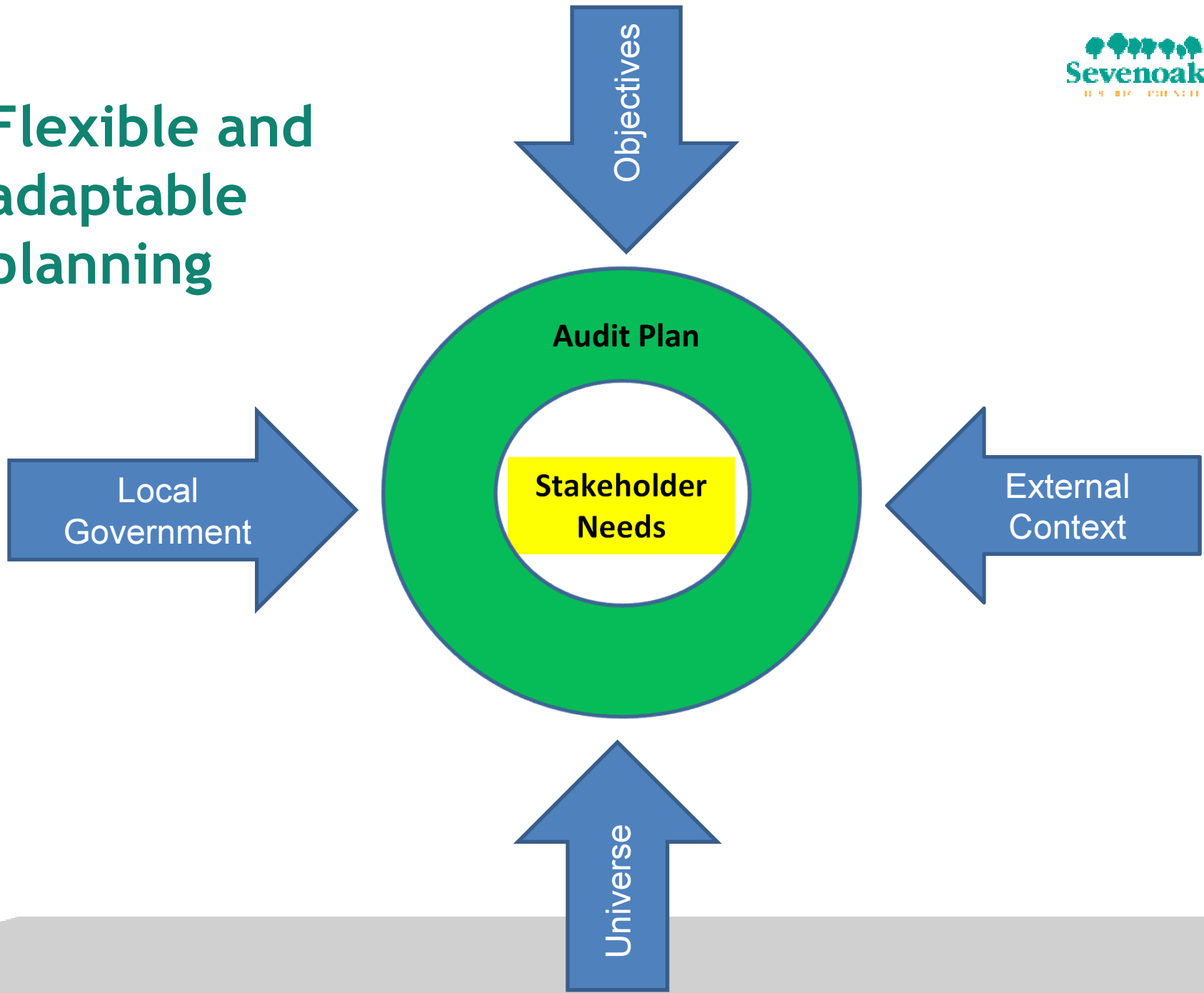
New, emerging and changing risks



Risk in Focus (IIA 2021-2022)



Flexible and adaptable planning



Skills, Tools and Techniques

Skill set

- Culture and ethics
- IT
- Root cause analysis



Tools and techniques

- Data analysis
- Agile auditing
- Real time assurance

The Role of Audit Committee



- 1) **Oversee independence, objectivity, performance and professionalism:**
 - Approve the Internal Audit Charter, including consideration of safeguards in place where IA undertakes any roles / responsibilities outside IA
 - Review / approve the annual risk based internal audit plan
 - Ensure there are no scope or resource limitations
 - Receive periodic confirmation of independence

The Role of Audit Committee



2) Support the effectiveness of the internal audit process

- Receive updates on outcomes, including key findings, areas of concern and actions
- Receive updates on IA's performance relative to its plan
- Approve any additional significant pieces of consultancy
- Receive regular reports on the results of the Quality Assurance and Improvement Programme (QAIP)

The Role of Audit Committee



3) Promote the effective use of Internal Audit within the assurance framework

- Receive reports outlining where management has accepted a level of risk that may be unacceptable to the Authority
- Consider how Internal Audit makes use of other forms of assurance
- When considering the AGS, take into account Internal Audit’s opinion on risk management, governance and control

Thank you

Questions?