



AUDIT AND GOVERNANCE COMMITTEE	AGENDA ITEM No: 5
2 October 2020	PUBLIC REPORT

INTERNAL AUDIT 2020/21

1.0 PURPOSE

- 1.1 This report provides an introduction to the newly appointed internal auditors, RSM Risk Assurance Services LLP, and provides detail of the development of a three-year internal audit strategy and the 2020/21 internal audit plan.

<u>DECISION REQUIRED</u>	
Lead Officer:	Jon Alsop – Head of Finance (S73)
<p>The Audit and Governance Committee is recommended to:</p> <ul style="list-style-type: none">(a) Note the appointment of RSM Risk Assurance Services LLP as the Combined Authority's internal audit service providers.(b) Note progress being made towards the development of a three-year internal audit strategy and the 2020/21 internal audit plan	

2.0 BACKGROUND

- 2.1. According to its Terms of Reference with regards to Internal Audit, the Audit and Governance Committee shall:
- (a) Provide assurances over the effectiveness of internal audit functions and assuring the internal control environments of key partners;
 - (b) Review internal audit requirements undertaken by the Combined Authority;
 - (c) Approve the internal audit plan;
 - (d) Consider reports and assurances from the Chief Finance Officer in relation to:
 - Internal Audit performance;
 - Annual Assurance Opinion on the adequacy and effectiveness of the framework of governance, risk management and control;
 - Risk management and assurance mapping arrangement;
 - Progress to implement recommendations including concerns or where managers have accepted risks that the Authority may find unacceptable.

- 2.2. At its July meeting, the Committee was advised that the Combined Authority was conducting a procurement exercise for the future internal audit service, and that the chosen supplier would present their draft audit plan to the Committee at the next meeting.
- 2.3. RSM Assurance Limited were the successful supplier in the procurement process and have set out their draft internal audit strategy for 2020/21 to 2022/23 and their draft internal audit plan for 2020/21 at appendix 1.
- 2.4. The Committee is asked to provide comment on the documents to inform the development of a comprehensive and more considered version of the audit plan to be presented to the Committee at the November meeting.
- 2.5. An introduction to Dan Harris and the RSM team is shown at appendix 2.

3.0 FINANCIAL IMPLICATIONS

- 3.1. The service is provided on an daily rate basis and will be dependent on the level of internal audit activity agreed, and within the allocated budget

4.0 LEGAL IMPLICATIONS

- 4.1. None.

5.0 APPENDICES

Appendix 1. RSM Draft audit strategy and plan.

Appendix 2. Introduction to RSM

<u>Source Documents</u>	<u>Location</u>
None	n/a