

**Report to:**

**AUDIT COMMITTEE**

**Relevant Officer:**

Tracy Greenhalgh, Head of Audit and Risk

**Meeting**

2 March 2023

## **INTERNAL AUDIT PLAN 2023/24**

### **1.0 Purpose of the report:**

1.1 To consider the Internal Audit Plan 2023/24 for approval.

### **2.0 Recommendation(s):**

2.1 The Audit Committee is asked to approve the Internal Audit Plan for 2023/24.

### **3.0 Reasons for recommendation(s):**

3.1 The Public Sector Internal Audit Standards require that the Internal Audit Plan is approved by senior management and the Audit Committee.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

### **4.0 Other alternative options to be considered:**

4.1 None.

### **5.0 Council priority:**

5.1 The work of the internal audit team contributes to the achievement of all of the Council's priorities.

### **6.0 Background information**

6.1 All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2015. The latter states that authorities must "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 or guidance".

The guidance accompanying the Regulations recognises both the Public Sector Internal Audit Standards (PSIAS) 2017 and the CIPFA Local Government Application Note for the UK. PSIAS as representing "public sector internal audit standards". The standards define the way in which the

Internal Audit Service should be established and undertakes its functions.

The standards also requires that an opinion is given on the overall adequacy and effectiveness of the Council's control environment comprising risk management, control and governance, which is informed by the work undertaken by the Service.

To enable the above, the Head of Audit and Risk is required to produce an Annual Risk Based Internal Audit Plan to determine the priorities of the internal audit activity. The proposed activity needs to be consistent with the Council's priorities and take into account the Risk Management Framework.

6.2 Does the information submitted include any exempt information? No

## **7.0 List of Appendices:**

7.1 Appendix 7(a) – Internal Audit Plan 2023/24

## **8.0 Financial considerations:**

8.1 Financial controls are a key feature in all audits.

## **9.0 Legal considerations:**

9.1 Each audit review will consider the legal implications faced by the service and will factor these into the evaluation of the service.

## **10.0 Risk management considerations:**

10.1 An audit universe is in place which lists all Council services and an exercise is undertaken to risk assess each service using a weighted criteria including materiality, system stability, devolved control, internal control and sensitivity. This is undertaken by the Internal Audit Team using their combined knowledge and experience. The Head of Audit and Risk then follows the consultation process as outlined in section 13 of this report.

All of the above information is collated and a further risk assessment is undertaken by the Head of Audit and Risk to identify which of the risks can be resourced in the internal audit plan. Factors which inform this include whether a follow-up of priority one recommendations is already planned, time since last review, whether assurance can be obtained from a different source and the strategic risk register.

## **11.0 Equalities considerations:**

11.1 Equalities risks are considered as part of the audit planning process.

## **12.0 Sustainability, climate change and environmental considerations:**

12.1 Climate change and sustainability risks are considered as part of the audit planning process.

### 13.0 Internal/external consultation undertaken:

13.1 The internal audit risk assessment completed by the Head of Audit and Risk with input from the Internal Audit Team was used to prepare agendas for the Head of Audit and Risk to meet with each Director and their Heads of Service to discuss potential areas of coverage. At these meetings the Head of Audit and Risk explained why areas have been identified as part of the Audit Risk Assessment Process and also seek views on what senior managers understand to be the key areas of risk faced by their services.

The information was then collated into a full list of internal audit requirements and the Head of Audit and Risk mapped these against available resource and undertook a further assessment to determine what can be covered by the Internal Audit Team in the year. This takes account of both the level of risk, other assurance work and when the area was last subject to internal audit whilst being mindful of the need to ensure an appropriate level of coverage over all directorates.

The Head of Audit and Risk then met with the Chief Executive and Director of Resources to discuss the draft plan and resource allocation. As part of the consultation the draft plan was also shared with the Chair and Vice Chair of Audit Committee prior to the March Audit Committee.

Details of when the consultations took place are captured in the below table:

Date	Consultation
12 <sup>th</sup> December 2022	Internal Audit Team – Audit Universe Scoring
9 <sup>th</sup> January 2023	Adult Services Consultation Meeting
11 <sup>th</sup> January 2023	Communication and Regeneration Consultation Meeting
13 <sup>th</sup> January 2023	Resources Consultation Meeting
17 <sup>th</sup> January 2023	Children’s Services Consultation Meeting
18 <sup>th</sup> January 2023	Strategy, Performance and Commissioning Consultation Meeting
18 <sup>th</sup> January 2023	HR and Workforce Development Consultation Meeting
19 <sup>th</sup> January 2023	Governance and Partnerships Consultation Meeting
23 <sup>rd</sup> January 2023	Community and Environmental Consultation Meeting
23 <sup>rd</sup> January 2023	Public Health Consultation Meeting
25 <sup>th</sup> January 2023	Meeting with Chief Executive
26 <sup>th</sup> January 2023	E-mail to Chair and Vice Chair of Audit Committee
1 <sup>st</sup> February 2023	Meeting with Section 151 Officer
14 <sup>th</sup> February 2023	CLT for plan approval
2 <sup>nd</sup> March 2023	Audit Committee for plan approval

### 14.0 Background papers:

14.1 None.