

AUDIT COMMITTEE

20 March 2024

Internal Audit Plan 2024/25

Report of Head of Internal Audit

PURPOSE OF REPORT

To inform Members of the planned Internal Audit work for the forthcoming year.

This report is public

RECOMMENDATION

The Committee is asked to:

1. Approve the 2024/25 Annual Internal Audit Plan and draft Strategic Plan to 2025/26
2. Note that reports dealing with both progress against the Plan and outcomes achieved will be submitted to each meeting; and
3. Note that Plan changes will be reported during the year.

1.0 Introduction

- 1.1 The terms of reference of the Audit Committee include the wording: "To approve the risk-based internal audit plan, including resource requirements and the approach to using other sources of assurances and any work required to place reliance upon those other sources".
- 1.2 Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN) (CIPFA 2013) Professional standards for Internal Audit in local government specify that "The Chief Audit Executive (the HoIA) must establish riskbased plans to determine the priorities of the internal audit activity, consistent with the organisation's goals."
- 1.3 The standards also specify that "The risk-based plan must take into account the requirement to produce an annual internal audit opinion and the assurance framework. It must incorporate or be linked to a strategic or high-level statement of how the internal audit service will be delivered and developed in accordance with the internal audit charter and how it links to the organisational objectives and priorities."
- 1.4 The Internal Audit Plan and Charter considered elsewhere on the agenda define the scope and the rationale of the approach being followed. They allow Internal Audit, independently, to provide assurance to managers, the Chief Executive, the Section 151 Officer and other stakeholders about the effectiveness of controls and the management of risk. They also enable Internal Audit to assist this Committee with its responsibility to oversee the effectiveness of governance arrangements in the Council and in its partnerships through the reporting arrangements in place.

2.0 Proposal Details

Draft Internal Audit Plan 2024/25

- 2.1 The Plan defines the scope and reasoning behind the approach being adopted. Overall, the objectives are:
- to fulfil Internal Audit's own statutory obligations;
 - to provide assurance, support and advice to Chief Officers on matters under their control;
 - to support the Section 151 Officer's statutory obligations to maintain an adequate and effective audit of the Council's accounting records and its systems of internal control; to assist the Audit Committee in gaining independent assurance on the Council's risk management, governance and control arrangements;
 - to report compliance with the PSIAS; and
 - to contribute to the development of corporate standards
- 2.2 The Plan is mapped to the Council's strategic objectives and strategic and will be reviewed as part of the risk assessment process to ensure that it remains focused on the Council's key risks and challenges and adds value

3.0 Financial Considerations

- 3.1 As part of the Councils General Fund Revenue Budget 2023/24 the current contractual arrangement with MIAA was extended for 3 years. The current draft audit plan priorities for 2023/24 will be delivered within the overall budget for the internal audit service. However further consideration maybe needed in respect of financing any additional bespoke support going forward.

4.0 Details of Consultation

- 4.1 The 2023/24 Plan is Year One of a Three Year Strategic Audit Plan covering 2023/24 – 2025/26. It will be subject to a review and refresh during year in consultation with Senior Leadership Team. Later in 2024/25 further consultations will be held with Chief Officers to ensure that the Plan continues to meets the stated objectives. Any significant changes to reflect new developments, changes to priorities and/or resources will be reported to this Committee.
- 4.2 Ongoing consultations will take place with Chief Officers during 2024/25 to ensure that specific Terms of Reference are prepared for each planned audit that reflect the detailed key risks relevant to each area.

5.0 Options and Options Analysis (including risk assessment)

- 5.1 The options available are to either accept the internal audit plan 2024/25 which will provide the Council and its internal audit function with the basis for continued compliance with established Internal Audit standards or recommend alternative proposals if necessary. There are no alternative options to be considered at this point in time.

6.0 Conclusion

- 6.1 Robust and effective planning are key elements in the delivery of an effective internal audit service. The attached audit plan, will assist the council in achieving its objectives and provide an overall opinion on the Council's control environment, which is a required key source of assurance in the Council's Annual Governance Statement.

CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

Not applicable

FINANCIAL IMPLICATIONS

The draft audit plan priorities for 2024/25 can be delivered within the overall budget for the internal audit service.

SECTION 151 OFFICER'S COMMENTS

The delivery of the Council's audit strategy and audit plan are fundamental to the assessment of the Councils Internal Control environment.

LEGAL IMPLICATIONS

None directly arising from this report

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments

BACKGROUND PAPERS

Public Sector Internal Audit Standards (PSIAS) and CIPFA's Local Government Application Note (LGAN)

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