



**Committee and Date**

Audit Committee

22<sup>nd</sup> February 2024

10:00am

Item

Public



## Internal Audit Annual Plan 2024/25

|                                           |                                                                                                                                                                           |      |              |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|--------------|
| <b>Responsible Officer:</b>               | Barry Hanson                                                                                                                                                              |      |              |
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| <b>Cabinet Member (Portfolio Holder):</b> | Lezley Picton, Leader of the Council<br>Brian Williams, Chairman of the Audit Committee<br>Gwilym Butler, Portfolio Holder – Finance, Corporate Resources and Communities |      |              |

### 1. Synopsis

A risk based Internal Audit Plan will be developed in line with the strategic objectives of the organisation once the current recruitment campaign.

### 2. Executive Summary

2.1. This report provides Members with the proposed approach for the risk based Internal Audit Plan for 2024/25. Due to an ongoing recruitment campaign any plan produced at this point would require significant revision. It is therefore proposed that a full plan will be brought back to the Audit Committee in July for approval once resources for 2024/25 have been confirmed.

### 3. Recommendations

3.1. The Committee is asked to accept the position as set out in the report.

# Report

## 4. Risk Assessment and Opportunities Appraisal

- 4.1. Under the Audit Committee's terms of reference, reviewing the risk-based audit plan, including internal audit resource requirements, the approach to using other sources of assurance and any other work upon which reliance is placed, is an important responsibility.
- 4.2. The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998. There are no direct environmental, equalities, consultation or climate change consequences of this proposal.
- 4.3. The Internal Audit Annual Plan satisfies both the Public Sector Internal Audit Standards (PSIAS) and the Accounts and Audit Regulations 2015 part 2. The latter sets out the requirements on all relevant authorities in relation to internal control, including requirements in respect of accounting records, internal audit and review of the system of internal control. Specifically:

'A relevant authority 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.'

## 5. Financial Implications

- 5.1. The Internal Audit plan is delivered within approved budgets. The work of Internal Audit contributes to improving the efficiency, effectiveness and economic management of the wider Council and its associated budgets.

## 6. Climate Change Appraisal

- 6.1. This report does not directly make decisions on energy and fuel consumption; renewable energy generation; carbon offsetting or mitigation; or on climate change adaption. However, the work of the Audit Team will look at these aspects relevant to the governance, risk management and control environment of the Council. The majority of audit work will continue to be carried out remotely thereby reducing fuel consumption.

## 7. Background

- 7.1. The provision of a risk based Internal Audit Plan consistent with the Council's goals is an essential part of ensuring probity and soundness of the Council's internal controls, risk exposure and governance framework. The audit plan is usually presented to Audit Committee in advance of the start of the financial year, however, due to an imminent recruitment campaign a full plan will not be developed until resources for 2024/25 have been confirmed.

- 7.2. The audit risk assessment has been reviewed with the Chief Executive, Executive Directors including the s151 Officer and Assistant Directors to ensure that it remains robust and relevant to the needs and risk profile of the Council. The detailed plan will be developed from this risk assessment once resources have been confirmed.
- 7.3. Whilst a formal plan has not been brought to the Committee for approval a draft plan is in place for work to be completed between April and July 2024 as follows:
- Completion of the remaining work in progress 2023/24;
  - The outstanding audits on the call off list for 2023/24;
  - Follow up audits with low assurance levels and fundamental recommendations.
- 7.4. As previously reported to the Committee, there are several vacancies within the Internal Audit team. Therefore, any audit plan at this stage would be subject to significant revision. It is therefore a more prudent use of current resources to produce a fully informed plan once resources for the year can be determined.
- 7.5. The recruitment process commenced early February with an indicative completion of early March 2024. Subject to successful appointment to the posts, the resources available will inform the full audit plan for 2024/25.
- 7.6. The slight delay in the development of the audit plans for 2024/25 will allow for consideration of any additional business risk areas highlighted as part of the budget setting process for the next financial year and any changes in strategic risks.

## 8. Conclusions

- 8.1. To develop a fully informed internal plan for 2024/25 based on updated resources available, this will be documented following the completion of the current recruitment campaign. This has been considered by the S151 Officer, and he agrees with the proposed approach.

### **List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Audit universe and resources analysis  
Public Sector Internal Audit Standards  
CIPFA Audit Committees, Practical Guidance for Local Authorities and Police, 2022 edition  
Accounts and Audit Regulations  
Risk in Focus – Hot topics for Internal Auditors ECIA 2023

**Local Member:** N/A

**Appendices** None