

Audit and Governance Committee 28th November 2022

Report Title	Internal Audit Plan development 2023/24	
Report Author	Rachel Ashley-Caunt, Chief Internal Auditor	
Contributors/Checkers/Approvers		
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Other Director/SME		

List of Appendices

None

1. Purpose of Report

- 1.1 To provide the Committee with an overview of the proposed Audit Planning process for 2023/24 and consult Members on risk areas for consideration in the development of the Audit Plan.

2. Executive Summary

- 2.1 The Internal Audit service deliver an agreed programme of work during the financial year. The coverage of this work should be sufficient to inform the annual Internal Audit opinion on the Council's governance, risk and control framework. The approach proposed should be aligned with the Public Sector Internal Audit Standards and includes consultation with the Audit and Governance Committee and senior management to develop a risk based audit plan.

3. Recommendations

- 3.1 It is recommended that the Committee:
- a) Notes the proposed approach to development of the Internal Audit plan for 2023/24.
 - b) Highlights any risk areas for consideration in the planning process, where the Committee seeks assurance in the year ahead.
- 3.2 Reason for Recommendations –
- To support and inform the development of the Internal Audit plan for 2023/24, in line with the Public Sector Internal Audit Standards.

4. Report Background

- 4.1 In setting the annual Internal Audit Plan, the Public Sector Internal Audit Standards require:
- a) The audit plan should be developed taking into account the organisation's risk management framework and based upon a risk assessment process undertaken with input from senior management and the Audit Committee;
 - b) The audit plan should be reviewed and approved by an effective and engaged Audit Committee to confirm that the plan addresses their assurance requirements for the year ahead; and
 - c) The Chief Internal Auditor should consider accepting proposed consulting engagements based on the engagement's potential to improve management of risks, add value and improve the organisation's operations.
- 4.2 In order to ensure that the Audit Plan for 2023/24 address the Council's key risks and adds value to the organisation, it is proposed that the Chief Internal Auditor will identify and prioritise the areas for coverage by:
- a) Reviewing the Council's Risk Registers and Corporate Plan;
 - b) Analysing coverage of Internal Audit reviews over the last year and the assurance opinions provided following each review, to identify any assurance gaps or areas where follow up work would be of value;
 - c) Identifying any other sources of assurance for each of the Council's key risks, which may reduce the added value of an Internal Audit review and where work could be aligned with other assurance providers;
 - d) Identifying any areas of the Audit Universe (a list of potential areas for audit review across the Council) where assurances are required to suitably inform the annual Audit Opinion;
 - e) Consultation with the Audit and Governance Committee to discuss the planning process and areas where Members require assurances from Internal Audit during 2023/24; and
 - f) Meetings with members of the Corporate Leadership Team to discuss key risks and emerging risk areas for the year ahead and any areas where Internal Audit support would be beneficial either in an assurance or consultancy role.
- 4.3 All potential audit coverage identified will be risk assessed and prioritised for inclusion in the Audit Plan, in consultation with Senior Management Team, based on risk, other sources of assurance available and potential value added from a review.
- 4.4 The resulting draft Internal Audit Plan will be presented to the Audit and Governance Committee for review and formal approval.
- 4.5 Should Members wish to highlight any risk areas for consideration in the development of the plan following this meeting, it is recommended that these

be raised with the Chief Internal Auditor and copied to the Chair of the Audit and Governance Committee.

5. Issues and Choices

- 1.2 The recommended approach is in line with the Public Sector Internal Audit Standards. Alternative approaches have not been considered at this time.

6. Implications (including financial implications)

6.1 Resources and Financial

- 6.1.1 None specific to this report. The audit plan coverage will be planned in line with resources and budget allocated to the delivery of Internal Audit for 2023/24.

6.2 Legal

- 6.2.1 None specific to this report.

6.3 Risk

- 6.3.1 None arising from this report. The Audit Plan should provide assurance over the Council's key risks.

6.4 Consultation

- 6.5 The Audit and Governance Committee is being consulted on the development of the 2023/24 audit plan. Consultation with senior management will also take place as part of this process. No public consultation is required.

6.6 Consideration by Scrutiny

- 6.6.1 Not required on this occasion.

6.7 Climate Impact

- 6.7.1 None specific to this report.

6.8 Community Impact

- 6.8.1 None specific to this report.

7. Background Papers

- 7.1 None.