

Audit and Governance Committee 31st January 2022

Report Title	Internal Audit Plan 2022/23	
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List of Appendices

None

1. Purpose of Report

- 1.1 To provide the Committee with an overview of the proposed Audit Planning process for 2022/23 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) Note the proposed approach to the development of the Internal Audit plan for 2022/23.
 - b) Highlights any risk areas where Members require assurance during the year ahead.

3.2 Reason for Recommendations:

- To support and inform the development of the Internal Audit plan for 2022/23, 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 Head of Internal Audit 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 2022/23 address the Council's key risks and adds value to the organisation, it is proposed that the Head of Internal Audit 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 2022/23; 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 then be presented to the Audit and Governance Committee in March 2022 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 by 11th February 2022.

5. Issues and Choices

- 5.1 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 that are 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 2022/23.

6.2 Legal

- 6.2.1 None that are 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 2022/23 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 that are specific to this report.

6.8 Community Impact

- 6.8.1 None that are specific to this report.

7. Background Papers

- 7.1 None.