

SUBJECT: DRAFT INTERNAL AUDIT PLAN – 2023/24

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: AMANDA STANISLAWSKI, AUDIT MANAGER

1. Purpose of Report

- 1.1 The Internal Audit Section works to an annual plan which is agreed by the Audit Committee and Senior Management.

2. Background

- 2.1 The plan has been developed using a combination of:
- the Council's Combined Assurance Model
 - an assessment of risk - based on the significance and sensitivity of key activities
 - consultation with Senior Management

3. Internal Audit Plan 2023/24

- 3.1 Using the Combined Assurance Model helps streamline and avoid duplication of effort where assurances can be drawn from other sources. The Combined Assurance Model provides coverage of all areas – not just those from Internal Audit.
- 3.2 Our planning work considers the relative risks of the activity and we take account of combined assurance outcomes. We also undertake cyclical work on due diligence areas particularly around financial and governance systems.
- 3.3 Internal Audit continues to have the right to conduct its own assurance activity freely and independently to meet its role and remit – even if there appears to be a good level of management or alternative assurance in place.
- 3.4 Attached is the draft internal audit plan for 2023/24– Appendix A
- 3.5 We have consulted with management over the draft audit plan.
- 3.6 The Internal Audit Plan should focus on the key risks facing the Council and is adequate to support the Head of Audit opinion. The plan should achieve a balance between setting out the planned work for the year and retaining flexibility to changing risks and priorities during the year. This is undertaken through a regular review of any changing activity and risks. The audit resources available are sufficient and compare adequately with others. We use external auditors / consultants and resources from our Partnership with Lincolnshire County Council as required to fill any gaps - mainly ICT security specialists.

- 3.7 The internal audit plan, together with our combined assurance work, enables us to provide an annual internal report and opinion around governance, risk and control.

4. Audit Plan resources

- 4.1 The Team currently comprises of a Full time Manager and Principal and is supported by specialist IT contractors and a casual Auditor. The part time Auditor post remains vacant and action will be taken during the year to recruit to the post. The impact on the current plan resource is being managed through the engagement of a casual auditor although in the longer term it reduces the resilience of the team and the levels of income achievable.
- 4.2 The annual planned days are 310, which represents a “good” level of audit resource for an authority of this size and allows the Head of Internal Audit sufficient resources to comply with standards and provide an appropriate annual opinion. This includes work across key financial systems, other governance and due diligence areas as well as critical systems, ICT and counter fraud.

The service continues to provide internal audit days through the Assurance Lincolnshire partnership for which the Council receives income to help achieve the internal audit agreed net budget. During 2023/24 this has temporarily been reduced by 50% although there is scope to increase this once the vacant post is recruited to. It is anticipated that this will increase back to the usual level in 2024/25.

5. Organisational Impacts

- 5.1 Finance (including whole life costs where applicable)

The plan can be delivered within existing resources. There is already a budget in place for funding the IT audit work to be carried out by a specialist contractor and the budget for the vacant post will be used to cover the costs of the casual auditor and the loss of income.

- 5.2 Legal Implications including Procurement Rules

The Accounts and Audit Regulations require a local authority to maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control.

- 5.3 Equality, Diversity & Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities.

There are no direct E and D implications arising as a result of this report.

6. Recommendation

6.1 Committee are asked to review and agree the draft plan, identifying any amendments which it considers appropriate.

Is this a key decision? No

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? No

How many appendices does the report contain? One

List of Background Papers: None

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