

SUBJECT: DRAFT INTERNAL AUDIT PLAN – 2024/25

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: AMANDA STAINSLAWSKI, INTERNAL 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 internal audit plan, together with combined assurance work, should enable the provision of an annual internal report and Head of Internal Audit Opinion around governance, risk and control.
- 2.2 The 2024/25 plan has been developed using a combination of:
- the Council's Combined Assurance work
 - an assessment of risk - based on the significance and sensitivity of key activities
 - consultation with Senior Management during the assurance mapping process
 - reference to risk registers
 - horizon scanning
 - reference to the cyclical and ICT schedules

3. Internal Audit Plan 2024/25

- 3.1 The audit plan has been compiled to ensure that it contains sufficient audits to support the Head of Internal Audit opinion within the current resources. It is based on the current plan days of 310 (unchanged from 2023/24), which allows for time to be spent on the induction and training of the new members of the team.
- 3.2 The planning undertaken to select the areas for review has looked at the risks the Council is facing together with the mitigating actions within the risk registers alongside the results of the assurance mapping work and our own risk scoring methodology. Consideration has also been given to those areas raised through the horizon scanning work and management requests. We also undertake cyclical work on due diligence areas particularly around financial and governance systems.
- 3.3 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.
- 3.4 The draft audit plan, attached at Appendix A, provides the list of audits to be completed split into financial governance, governance and risk, critical activities,

programme and project assurance, ICT and the standard areas covered every year. There is also another list in Appendix B which includes those which are important but which we do not have capacity to review this year.

3.5 We have consulted with management over the draft audit plan.

3.6 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.

4. Audit Plan resources

4.1 The Team currently comprises of a Full time Manager and Trainee Auditor and is supported by specialist IT audit contractors. The Principal Auditor post is currently vacant, and action is being taken to recruit to the post. The impact on the current plan resource is being managed through the engagement of an external audit contractor.

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.

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 external audit contractor.

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 and 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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