

AUDIT AND RISK COMMITTEE

21 March 2023

INTERNAL AUDIT PLAN 2023/24

Report of the Chief Internal Auditor

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr K Payne, Portfolio Holder for Finance, Governance and Performance, Change and Transformation	
Contact Officer(s):	Rachel Ashley-Caunt, Chief Internal Auditor	Tel: 07799 217378 rashley-caunt@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That Committee:

1. Approves the proposed audit plan allocations for 2023/24
2. Approves the Internal Audit Charter and Strategy.
3. Delegate authority for the Strategic Director of Resources, in consultation with the Chair of the Audit and Risk Committee, to agree amendments to the plan during the financial year, if required.

1 PURPOSE OF THE REPORT

- 1.1 To provide the Committee with a proposed plan of Internal Audit work for the 2023/24 financial year, and the Internal Audit Charter, for formal review and approval.

2 BACKGROUND AND MAIN CONSIDERATIONS

Internal Audit Plan

- 2.1 The Internal Audit Plan sets out the assignments that will be delivered by the Internal Audit team during the financial year. In accordance with the Public Sector Internal Audit Standards (PSIAS), the Audit Plan should be risk based and developed with

input from senior management and the Audit & Risk Committee.

- 2.2 Appendix A provides details on the process followed to develop the Internal Audit Plan for 2023/24 and a copy of the draft plan is provided in Table 1.
- 2.3 At the December 2022 meeting, members of the Audit and Risk Committee were invited to highlight any areas where assurance from Internal Audit was sought during 2023/24 for inclusion and prioritisation in the development of the Audit Plan.
- 2.4 To ensure that the Internal Audit activities are consistently focused upon the Council's key risks, the plan will remain subject to ongoing review by the Chief Internal Auditor throughout the year and will be subject to regular consultation with senior management. To enable the Internal Audit team to be responsive and amend the planned activities to address any new or emerging risk areas as required, it is recommended that a mechanism be agreed to allow for changes to the Audit Plan between Audit and Risk Committee meetings. Any such amendments could be subject to formal approval by the Strategic Director - Resources and the Chair of the Audit and Risk Committee and would be reported at the subsequent Audit and Risk Committee meeting.

Internal Audit Charter and Strategy

- 2.5 The Public Sector Internal Audit Standards (PSIAS), define the Internal Audit charter as 'a formal document that defines the internal audit activity's purpose, authority and responsibility. The Internal Audit charter establishes the Internal Audit activity's position within the organisation, including the nature of the chief audit executive's functional monitoring relationship with the board; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.
- 2.6 The Chief Internal Auditor has undertaken an annual review of the Charter for the new financial year to confirm that this remains fit for purpose and compliant with good practice and the Public Sector Internal Audit Standards. Whilst no amendments have been proposed to the audit approach or strategy, the content of the document has been reviewed to ensure that it aligns with best practice and is presented in a clear format. As part of this review, the assurance opinions and definitions have been refreshed and it is proposed that the assurance rating of 'Satisfactory' be replaced by 'Moderate', in order to clarify the nature of the assurance and that action is required to improve controls in such cases. The organisational risk ratings have been amended from 'Major / Moderate / Minor' to High / Medium / Low'. The definitions have all been refreshed to provide greater clarity and to align with more commonly used risk management terminology. The updated Internal Audit Charter and Strategy is provided as Appendix B.

3 CONSULTATION

- 3.1 The Chief Internal Auditor has consulted with Senior Leadership Team and the Audit & Risk Committee on coverage for the 2023/24 audit plan.

4 ALTERNATIVE OPTIONS

- 4.1 The Committee may consider alternative priorities for inclusion on the plan.

5 FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications arising from this report. The Audit Plan will be based upon the number of days commissioned by the Council on an annual basis.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1 The Audit and Risk Committee is responsible for oversight of the work of Internal Audit including approving the annual Audit Plan and satisfying itself that the plan provides assurance over the Council's control framework and key risks. It is also responsible for gaining assurance that internal audit is complying with internal audit standards.
- 6.2 There are no legal implications arising from this report.

7 DATA

- 7.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no risks/issues to the rights and freedoms of natural persons.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 There are no equality implications

9 COMMUNITY SAFETY IMPLICATIONS

- 9.1 There are no community safety implications

10 HEALTH AND WELLBEING IMPLICATIONS

- 10.1 There are no health and wellbeing implications.

11 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 11.1 The Audit Plan for 2023/24 was developed using a risk based approach, with input from senior management and the Audit and Risk Committee. The plan has been agreed with the s151 Officer and Chair of the Audit and Risk Committee pending formal committee approval. The Internal Audit Charter remains consistent with previous years and requires annual Committee approval, in line with the Public Sector Internal Audit Standards.

12 BACKGROUND PAPERS

- 12.1 There are no additional background papers to the report.

13 APPENDICES

- 13.1 Appendix A: Internal Audit plan 2023/24
- 13.2 Appendix B: Internal Audit Charter and Strategy

Large Print or Braille Version of this Report is available upon request – Contact 01572 722577