

Internal Audit Plan Development 2024/25

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Lead Member/Relevant Portfolio Holder	N/A

Corporate Priority:	All
Relevant Ward Member(s):	N/A
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No

1 Summary

- 1.1 This report provides the committee with an overview of the proposed Audit Planning process for 2024/25 and consults the committee on risk areas for consideration in the development of the Audit Plan.

2 RECOMMENDATION

That Committee:

- Notes the proposed approach to developing the Audit Plan for 2024/25.
- Highlights any risk areas where the Committee requires assurance during the year ahead to the Chief Internal Auditor by 31st January 2024.

3 Reason for Recommendations

- 3.1 To support and inform the development of the Internal Audit plan for 2024/25, in line with the Public Sector Internal Audit Standards.

4 Background

- 4.1 The North Northamptonshire Council Internal Audit service is commissioned to provide 235 audit days to deliver Melton Borough Council's annual internal audit plan.
- 4.2 In setting the annual 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.

5 Main Considerations

- 5.1 In order to ensure that the Audit Plan for 2024/25 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 four years 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) which have not been subject to Internal Audit review during the last four years;
 - e) Consultation with the Audit and Standards Committee to discuss the planning process and areas where Members require assurances from Internal Audit during 2024/25; and
 - f) Meetings with each member of Senior 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.
- 5.2 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.

- 5.3 The resulting draft Internal Audit Plan will then be presented to the Audit and Standards Committee in March 2024 for review and formal approval.

6 Options Considered

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

7 Consultation

- 7.1 The Audit and Standards Committee is being consulted on the development of the 2024/25 audit plan. Consultation with senior management will also take place as part of this process.

8 Next Steps – Implementation and Communication

- 8.1 The plan for 2024/25 will be developed in line with the agreed approach and a draft audit plan will be presented to the committee for approval in March 2024.

9 Financial Implications

- 9.1 There are no financial or other resource implications arising directly from this report. The audit plan will be developed based on the number of days commissioned on an annual basis.

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

- 10.1 Internal Audit is a statutory requirement as required under the Accounts and Audit Regulations 2015 which state “A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.
- 10.2 Internal Audit also has an important role in supporting the Chief Finance Officer to discharge their statutory responsibilities under s151 Local Government Act 1972 – to ensure the proper administration of financial affairs and s114 Local Government Act 1988 – to ensure the Council’s expenditure is lawful.
- 10.3 The findings from assignments on the audit plan should inform the Council’s Annual Governance Statement and risk management processes.

Legal Implications reviewed by: Deputy Monitoring Officer 20.11.23

11 Equality and Safeguarding Implications

- 11.1 There are no equalities or safeguarding implications arising directly from this report.

12 Data Protection Implications (Mandatory)

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

13 Community Safety Implications

- 13.1 There are no community safety implications arising directly from this report.

14 Environmental and Climate Change Implications

- 14.1 There are no environmental and climate change implications arising directly from this report.

15 Other Implications (where significant)

- 15.1 There are no other implications arising directly from this report.

16 Risk & Mitigation

- 16.1 The Internal Audit work provides assurance over the adequacy and effectiveness of the Council's internal controls to manage key risks and inform risk management arrangements.

17 Background Papers

- 17.1 None

18 Appendices

- 18.1 None