

## West Suffolk Internal Audit Plan 2021-22

### 1. Introduction

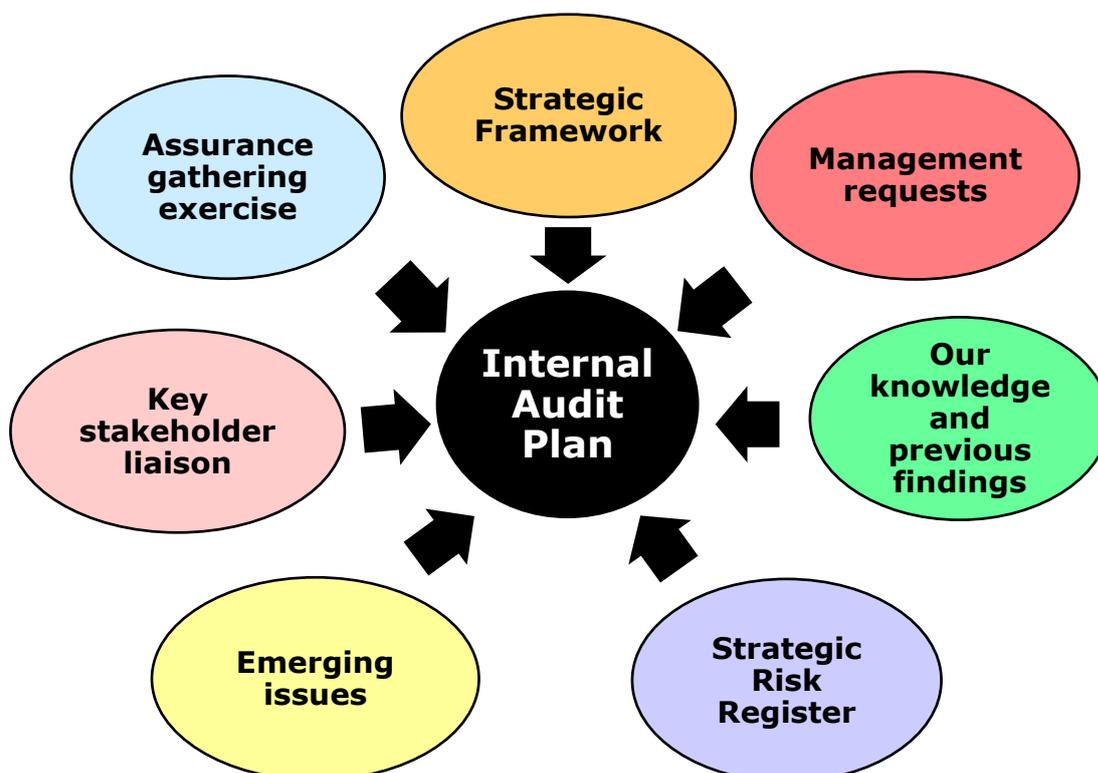
1.1 The role of internal audit is that of an:

'Independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'

### 2. What is the Internal Audit Plan and why does it matter?

2.1 The proposed 2021-22 audit plan, provided at **Appendix B**, is a risk-based plan of work for the internal audit team that provides a framework for ensuring that audit resources are focused on activities that will make the most difference to supporting West Suffolk priorities.

2.2 The internal audit plan takes into account the need to produce an annual internal audit opinion which underpins West Suffolk Council's Annual Governance Statement (AGS), the diagram below shows key sources of information that help to inform the audit plan.



### 3. How was the draft internal audit plan produced?

- 3.1 A series of meetings was held with a variety of managers within the council to discuss and gain a better understanding of any current or upcoming service or corporate challenges or risks.
- 3.2 From these meetings, and a review of the strategic risk register, a list of potential audit areas was produced and then risk assessed using the following criteria:

**Controls assurance** – information taken from previous internal audit work as well as other assurance processes within, and external to, the council.

**Corporate importance** – the extent to which the council depends on the correct running of the system, whether for legal or regulatory requirements or to meet strategic priorities.

**Materiality** – in monetary terms the relative significance or importance of the system or process to the council.

**Vulnerability** – the extent to which the system or process is liable to breakdown, corruption, loss, error and so on.

**Management concerns** – direct requests for support

- 3.3 Each auditable area was given a score based on the above risk assessment and from this score, allocated a priority from 1 (high) to 3 (low) resulting in a risk-based proposed plan of work. Additional challenges for the council as a result of the COVID-19 pandemic, as well as consideration of potential effects of Brexit, have also been taken into account in producing the draft audit plan.

### 4. What is included in the draft internal audit plan?

- 4.1 **Appendix B** provides information on the key audit areas we have prioritised in our work programme for 2021-22.
- 4.2 In essence, the draft internal audit plan includes two categories of work, that which supports the annual internal audit opinion (assurance work) and other, non-assurance work, as follows:

#### **Assurance work**

- main financial systems
- corporate and business area audits
- follow up work on previous audits to check whether agreed actions have been implemented

- added value work which are areas identified by management and internal audit that would benefit from appropriate audit input in the form of providing support and advice to management including reviewing relevant arrangements
- proactive anti-fraud work, and
- other assurance related work including working groups, general advice and assistance, and liaison with external audit.

### **Non-assurance work**

- COVID-19 business grants work, and the council's transformation programme
- fee earning Anglia Revenues Partnership (ARP) audits on behalf of other partners and grant certification work for other organisations
- financial vetting, and financial due diligence for investment decisions, and
- annual independent examination of West Stow Anglo Saxon Village Trust accounts.

## **5. Delivering the plan**

- 5.1 It is very important that the audit plan is flexible and able to adapt to changing risks facing the council, and thereby ensure that audit resources are used where they will add maximum value.
- 5.2 The intention is that as far as possible the proposed audits will be carried out in priority order and as many of the audits completed as possible within the available resources. It should however be recognised that it is highly likely that not all of the identified pieces of work will be undertaken. Also, other pieces of work not currently in the plan may be carried out.
- 5.3 The draft audit plan as presented at **Appendix B** represents the Service Manager (Internal Audit)'s current view of how audit resources can be used most effectively, with an update on progress against the audit plan given to the Performance and Audit Scrutiny Committee during the year.
- 5.4 The Service Manager (Internal Audit) will remain alert to changing circumstances and emerging risks through a number of channels, including:
- attendance at senior officer meetings including Senior Management Team (Leadership Team plus Service Managers), officer working groups, feedback from the Section 151 Officer, and discussions with other West Suffolk colleagues
  - liaison and meetings with external audit
  - committee reports, and
  - professional reference material, websites, and discussion forums.
- 5.5 Where any sources of assurance other than the work contained within this plan are relied on in forming the annual audit opinion, additional work may be undertaken by internal audit where necessary and appropriate to validate these other sources of assurance.

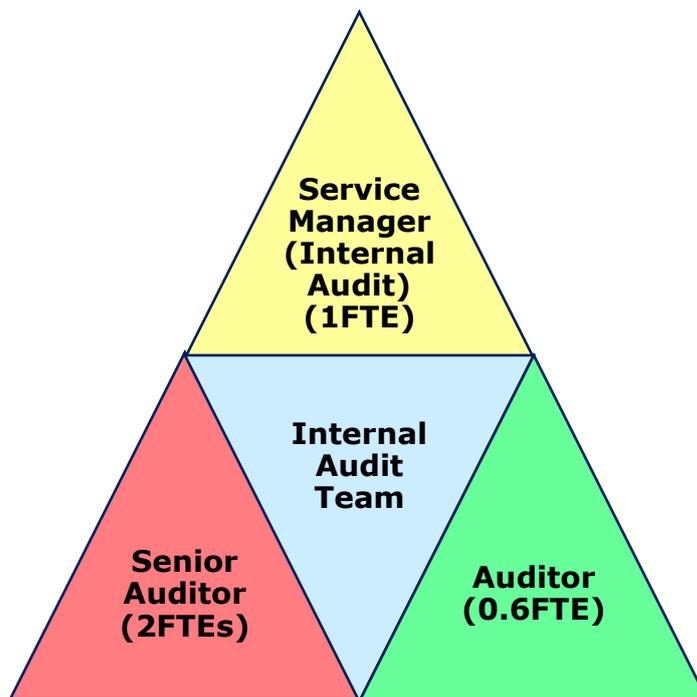
## 6. What staff resources does the internal audit team have and how are these allocated?

6.1 West Suffolk Council's internal audit resource requirements are based on a recognition that:

- the ability to be flexible wherever possible and react to services' need for advice and assistance is a crucial element of internal audit's ability to add maximum value
- the council has a statutory obligation to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, thereby covering a broad spectrum of work, and
- audit coverage needs to be appropriate and sufficient to enable the Service Manager (Internal Audit) to discharge his duty to provide a robust annual internal audit opinion in support of the West Suffolk Annual Governance Statement.

6.2 The Service Manager (Internal Audit) considers that the current internal audit staff resource is adequate to fulfil the requirements of an annual plan of audit work to provide an annual audit opinion and meet statutory obligations.

6.3 The following full-time equivalent posts are filled:



6.4 The training and personal development needs of internal audit staff are established through a review process. The existing skills, knowledge and experience of internal audit staff have been taken into account when preparing the draft audit plan.

## **7. Conflicts of interest**

- 7.1 We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.