

West Suffolk Council Internal Audit Plan 2023 to 2024

1. Introduction

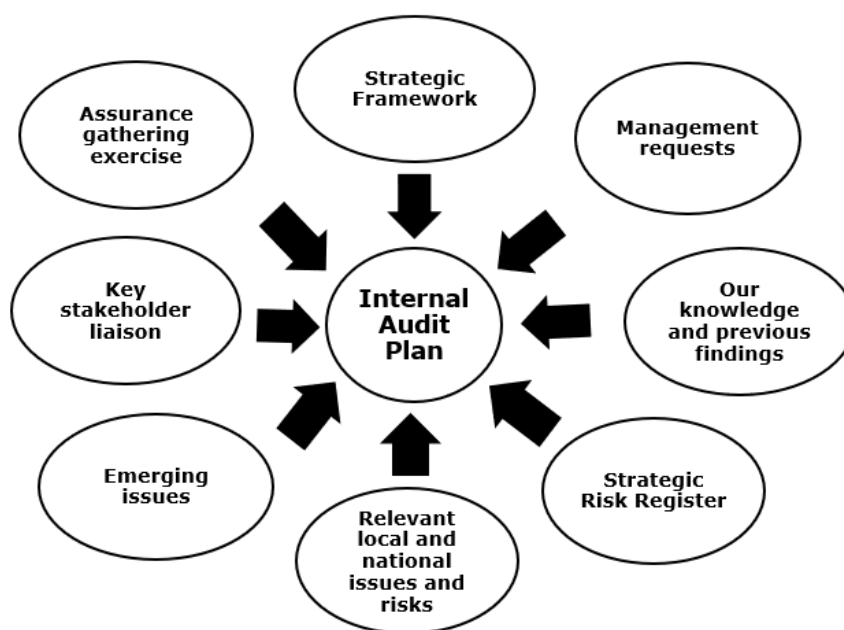
1.1 The role of internal audit is that of an:

'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 2023 to 2024 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 the council's priorities.

2.2 The internal audit plan takes into account the need to produce an annual internal audit opinion which underpins the council's Annual Governance Statement, 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 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, review of the strategic risk register, and additional knowledge of local and national risks arising from reading publications, attending training events and seminars, and networking with colleagues from other councils, a list of potential audit areas was produced and then risk assessed using the following criteria, resulting in a risk-based proposed plan of work.
- **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.

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 2023 to 2024 as well as a rough approximation of the expected staff resource allocation for each audit area.
- 4.2 In essence, the draft internal audit plan includes two categories of work, that which supports the annual internal audit opinion either directly or indirectly (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 or resource in the form of providing support and advice to management including reviewing relevant arrangements
- grant certification work
- proactive anti-fraud work
- other assurance related work including working groups, general advice and assistance, and liaison with external audit.

Non-assurance work

- fee earning Anglia Revenues Partnership (ARP) audits on behalf of other partners
- financial vetting, and financial due diligence for investment decisions
- annual independent examination of West Stow Anglo Saxon Village Trust accounts.

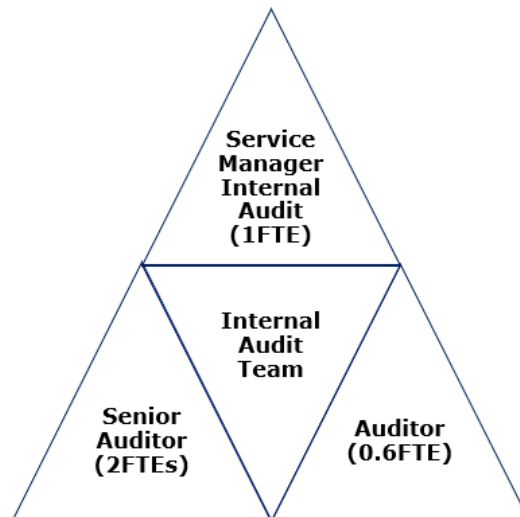
5. Delivering the plan

- 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 possible 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. An update on progress against the audit plan will be 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
 - committee reports
 - professional reference material, websites, and discussion forums.

- 5.5 Internal audit is only one source of assurance and through the delivery of this plan we will not, and do not seek to cover all risks and processes within the organisation. We will however continue to consider the potential for taking into account the work of other assurance providers to ensure that duplication is minimised, and a suitable breadth of assurance is obtained. These external assurance providers include external audit and those who provide assurance over cyber security and other IT related areas.
- 5.6 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
 - 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 council's 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.