

# INTERNAL AUDIT PROVISION

## AGENDA ITEM NO. 7

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**MEETING:**           **AUDIT, RISK AND G.D.P.R. SUB-COMMITTEE**

**DATE:**               **16<sup>TH</sup> APRIL 2024**

**REPORT BY:**       **FINANCE MANAGER**

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### **1.0 Purpose of the Report**

1.1 The purpose of the report is to update Members on the Council's Internal Audit provision.

### **2.0 Background to the Report**

2.1 The provision of an Internal Audit function by the Council is a statutory requirement of the Accounts and Audit Regulations 2015 which requires the Council to *'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'*.

2.2 The Internal Auditor therefore plays an important role, as required by the law, in providing the Council with assurance around its system of risk management, governance, and internal control, and in preventing and detecting fraud.

2.3 The Internal Audit function during 2023/24 was provided by an independent, self-employed Internal Auditor providing a total of 44 internal audit days.

### **3.0 Current Situation**

3.1 An independent self-employed Internal Auditor was engaged over the summer of 2023 for the financial year ending 31<sup>st</sup> March 2024.

3.2 A Service Level Agreement (SLA) was established which included an Internal Audit Plan for the 2023/24 financial year. This audit plan has now been completed and the audit reports brought forward for consideration and approval at this committee meeting tonight and the previous meeting on 27<sup>th</sup> February 2024.

3.3 The Internal Auditor will also complete the Internal Audit Report which is contained in the Annual Governance and Accountability Return (AGAR).

3.4 Attached at Appendix 1 is the proposed three-year Internal Audit Plan for the financial years 2024/25, 2025/26 and 2026/27. This has been established in conjunction with the Internal Auditor and ensures that all key systems and processes are audited once in three years.

3.5 Key financial systems will be audited annually to ensure the appropriate assurance can be given as part of the AGAR.

3.6 The internal audit function will be undertaken in 2024/25 by the existing Internal Auditor who will undertake 44 audit days as set out in the proposed Internal Audit Plan.

3.7 Moving forward the three-year Internal Audit Plan will be updated annually and brought to this Committee for approval.

3.8 The 2024/25 Revenue Budget was prepared on the basis of the continuation of the 2023/24 internal audit provision with a 5% uplift in costs equating to an annual budget of £12,200.

#### **4.0 Policy Implications**

4.1 Conforms to Aims 1 and 2 of the Council's Aims and Targets –

*“To provide good quality governance and management of the Council”*

*“To manage the Council's finances and assets in a responsible manner”.*

#### **5.0 Staffing Implications**

5.1 The staffing implications are set out in detail in the report.

#### **6.0 Financial Implications**

6.1 The financial implications are set out in the report.

#### **7.0 Crime and Disorder Implications**

7.1 None.

#### **8.0 Equal Opportunities Implications**

8.1 None.

#### **9.0 Environment, Biodiversity and Climate Change Implications**

9.1 None.

#### **10.0 Risk Assessment**

10.1 A risk assessment is not considered necessary for the purposes of this report.

#### **11.0 General Data Protection Regulations (GDPR)**

11.1 Is any personal or sensitive data required for this proposal which may have any implications for GDPR? **NO**

#### **12.0 Recommendations**

12.1 It is recommended that Members:

- a. Receive the information contained in the report.
- b. Confirm the continued engagement of the existing Internal Auditor.
- c. Approve the three-year Internal Audit Plan.