



Report of the Chief Auditor

Governance and Audit Committee – 5 June 2024

Internal Audit Annual Plan 2024/25

Purpose:	This report presents the Internal Audit Annual Plan for 2024/25 to the Governance and Audit Committee for approval.
Policy Framework:	None
Consultation:	Corporate Management Team, Legal, Finance, Access to Services.
Recommendation:	It's recommended that the Governance & Audit Committee review and approve the Internal Audit Annual Plan for 2024/25.
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Finance Officer:	Ben Smith
Legal Officer:	Stephanie Williams
Access to Services Officer:	Rhian Millar

1. Introduction

- 1.1 The Public Sector Internal Audit Standards (PSIAS) requires a risk-based Internal Audit Plan to be prepared each year to determine the priorities of Internal Audit and to ensure they are consistent with the Council's goals and objectives.
- 1.2 The Audit Plan must provide sufficient coverage to allow the Chief Auditor to be able to give an opinion on the control environment including governance, risk management and internal control. The annual Internal Audit opinion which is delivered to the Section 151

Officer and the Governance and Audit Committee is a key input into the Council's Annual Governance Statement.

- 1.3 The PSIAS also require the Audit Plan to be linked to a high-level Audit Strategy which shows how the internal audit service will be delivered, how it will be developed in accordance with the Internal Audit Charter and how it links to the Council's objectives and priorities. This was presented to the Governance and Audit Committee on the 10th April 2024.
- 1.4 The methodology used to prepare the Audit Plan was reported to the Committee at the meeting on 28th February 2024.
- 1.5 The revised Internal Audit Annual Plan 2024/25 was reviewed and approved by the Corporate Management Team on the 8th May 2024 and it is now reported to the Governance and Audit Committee for final approval.
- 1.6 The audits listed in the draft plan have been reviewed to ensure audit resource is targeted to the highest priority audits i.e., those audits that inform the Chief Auditors Annual Opinion and provide key assurance to the Section 151 Officer. These include the cross-cutting reviews and the fundamental audits. All Service Level audits listed have also been reviewed to ensure the highest risk areas are prioritised.
- 1.7 All audits that are considered the highest priority are noted as 'planned' in appendix 1 and 2 attached. All other audits marked as 'to be confirmed (TBC)' remain on the audit plan for completion should audit resource allow.

2. Internal Audit Annual Plan 2024/25

- 2.1 A risk-based Internal Audit Annual Plan is produced each year which is used to guide the work of the Internal Audit Section and ensure sufficient coverage of the Council to allow the Chief Auditor to deliver the annual opinion on the internal control environment as well as providing assurance to management, the Section 151 Officer and the Governance and Audit Committee.
- 2.2 For 2024/25, the Internal Audit Section is made up of 9.1 full time equivalents plus the Chief Auditor which is the same level of resources available in 2023/24. This gives a total number of available days of 2,366.
- 2.3 A summary of the Internal Audit Plan 2024/25 is shown in Appendix 1 and a list of audits planned for the year is shown in Appendix 2 along with the number of days planned for each audit as well as the perceived risk of each audit arising from the risk assessment process.

- 2.5 The Internal Audit Plan 2024/25 accommodates any audits which were deferred from the 2023/24 Plan where the risk justifies their inclusion.
- 2.6 The Plan includes time for all fundamental audits due in the year. The fundamental audits are those systems that are considered to be most significant to the achievement of the Council's objectives. From 2023/24 we have revised the planned timetable for the fundamental audits, as summarised below:
- i) Fundamental audits that receive a High Assurance rating are moved to a two-year audit cycle, with a full audit being completed every two years.
 - ii) Fundamental audits that receive a Substantial Assurance rating are moved to a two-year audit cycle, with a full audit being completed every two years. In addition to this a follow-up audit will be completed in the first year to re-test all Medium and/or High Risk recommendations.
 - iii) Fundamental audits that receive a Moderate Assurance rating remain on an annual audit cycle, with a full audit being completed every year.
- 2.7 As part of the audit planning process, the corporate and directorate risk registers are reviewed. It should be noted that the control measures documented across the corporate risks have improved over recent years. The updated control measures and associated assurance map as updated by risk owners have been reviewed as part of this year's planning process and internal audit has been able to place some reliance on the documented controls in some instances. However, as in previous years, internal audit's knowledge and experience has continued to be relied upon, in consultation with the Director of Finance & Section 151 Officer and senior staff within the Internal Audit Team, to ensure a suitably balanced and risk targeted audit plan is produced.
- 2.8 As in previous years, progress made by the Internal Audit Section in completing the Audit Plan will be reported to the Governance and Audit Committee on a quarterly basis.
- 2.9 It is the view of the Chief Auditor that the proposed Internal Audit Plan 2024/25 will provide sufficient audit coverage for the annual opinion on the control environment to be delivered to Council via the Section 151 Officer and Governance and Audit Committee.

3 Integrated Assessment Implications

- 3.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage.
- Consider opportunities for people to use the Welsh language.
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

3.2 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

3.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

3.4 The completion of the Integrated Impact Assessment Screening revealed that:

- The Audit Strategy and Plan has a low positive impact across all groups.
- It has been subject to consultation with the Chief Finance & S151 Officer, Legal, Access to Services and the Corporate Management Team.
- All Well-being of Future Generations Act considerations are positive and any risks identified are low.
- The overall impact of the Audit Strategy and Plan is positive as it will support the Authority in its requirement to protect public funds.

4. Financial Implications

4.1 There are no financial implications associated with this report.

5. Legal Implications

5.1 Provision of an adequate and effective internal audit function is a legal requirement under the Accounts and Audit (Wales) Regulations 2014 as amended. For local government in Wales, the PSIAS is mandatory for all principal local authorities. An effective internal audit service also ensures

that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are being met.

Background Papers: None

Appendices: Appendix 1-Internal Audit Annual Plan 2024/25 (Summary)
Appendix 2-Internal Audit Annual Plan 2024/25 inc. Scope
Appendix 3-Integrated Impact Assessment