

Gloucester City Council

Meeting:	Audit and Governance Committee	Date:	7th March 2022
Subject:	Draft Internal Audit Plan 2022/23		
Report Of:	Head of Audit Risk Assurance (ARA)		
Wards Affected:	Not applicable		
Key Decision:	No	Budget/Policy Framework:	No
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Appendices:	A: Draft Internal Audit Plan 2022/23		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To provide the Committee with a summary of the draft Risk Based Internal Audit Plan 2022/23, as required by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS) 2017.

2.0 Recommendations

- 2.1 Audit and Governance Committee is asked to **RESOLVE** to:

- (1) Agree that the Internal Audit Plan for 2022/23 reflects the risk profile of the Council; and
- (2) Approve the Internal Audit Plan 2022/23 as detailed in **Appendix A**.

3.0 Background and Key Issues

- 3.1 All Councils must make proper provision for Internal Audit in line with the Accounts and Audit Regulations 2015 (the Regulations). The Regulations provide that a relevant Council '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'. Completion of annual internal audits based on the risk profile of the Council also supports the Section 151 Officer's duty to ensure the proper administration of the Council's financial affairs.
- 3.2 The guidance accompanying the Regulations recognises the PSIAS 2017 (the Standards) as representing 'proper Internal Audit practices'. The Standards define the way in which the Internal Audit service should be established and undertake its operations. These Standards require the Head of ARA to produce an Annual Risk Based Internal Audit Plan to determine the priorities of Internal Audit activity.

The proposed activity should be consistent with the Council's priorities and objectives, taking into account the risk management framework, risk appetite levels set by management and Internal Audit's own judgement of risks.

- 3.3 To ensure Internal Audit resources continue to be focussed accordingly, particularly during periods of organisational change, it is essential that we understand the Council's needs. This requires building relationships with key stakeholders, including other assurance and challenge providers, to gain crucial insight and ongoing understanding of the strategic and operational change agendas within the Council.
- 3.4 This insight is not only identified at the initial development stages of the Risk Based Internal Audit Plan. Dialogue continues throughout the financial year(s) and increases the ability for the Internal Audit service to adapt more closely to meet the assurance needs of the Council, particularly during periods of significant change. Our Plan is therefore dynamic and flexible to meet these needs.
- 3.5 To ensure that an effective Plan is developed and alongside Internal Audit's own assessment of risk, a consultation process took place with Corporate Directors, Heads of Service and Service Managers to establish priorities and assurance requirements. Audit and Governance Committee and wider Member audit requests from 2021/22 were also considered as part of the consultation approach. The proposed activity from all sources was collated and matched against Internal Audit's resource availability and prioritised accordingly.
- 3.6 The Plan is stated in terms of estimated days input to the Council of 550 audit days, which is comparable to prior year.
- 3.7 By continuing to apply risk based Internal Audit planning principles, this level of input is considered acceptable to provide the Internal Audit assurance requirements of the Council. The Head of ARA will continue to reassess Internal Audit resource requirements against the Council's priorities and risks and will amend the Plan throughout the year as required. Any key changes to the Plan will be reported to the Audit and Governance Committee.

4.0 Social Value Considerations

- 4.1 There are no Social Value implications as a result of the recommendations made in this report.

5.0 Environmental Implications

- 5.1 There are no Environmental implications as a result of the recommendations made in this report.

6.0 Alternative Options Considered

- 6.1 No other options can be considered as a Risk Based Internal Audit Plan is required by the PSIAS.

7.0 Reasons for Recommendations

- 7.1 A requirement of the PSIAS is for the Head of ARA to produce an Annual Risk Based Internal Audit Plan and for this Plan to be approved by the appropriate body. In the case of Gloucester City Council, the appropriate body is the Audit and Governance Committee.

8.0 Future Work and Conclusions

- 8.1 Regular reports on progress against the Risk Based Internal Audit Plan and any significant control issues identified will be presented to the Audit and Governance Committee. These will be captured within the Audit and Governance Committee work programme for 2022/23.

9.0 Financial Implications

- 9.1 There are no Financial implications as a result of the recommendations made in this report.

Financial Services have been consulted in the preparation this report.

10.0 Legal Implications

- 10.1 As set out in the report, the Risk Based Internal Audit Plan assists the Council to discharge its statutory responsibilities under Regulation 5 of the Accounts and Audit Regulations 2015 and significant aspects of the Section 151 Officer's duties.

One Legal have been consulted in the preparation this report.

11.0 Risk and Opportunity Management Implications

- 11.1 Failure to deliver an effective Risk Based Internal Audit Plan will impact on the statutory requirement to provide the Council with an annual independent Internal Audit opinion on the effectiveness of the Council's control environment comprising risk management, control and governance.

12.0 People Impact Assessment (PIA) and Safeguarding:

- 12.1 The Internal Audit service is delivered by ARA which is an Internal Audit and Risk Management Shared Service between Gloucester City Council, Stroud District Council and Gloucestershire County Council. Equality in service delivery is demonstrated by the team being subject to, and complying with, the Council's equality policies.
- 12.2 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

13.0 Community Safety Implications

- 13.1 There are no Community Safety implications as a result of the recommendations made in this report.

14.0 Staffing and Trade Union Implications

14.1 There are no Staffing and Trade Union implications as a result of the recommendations made in this report.

Background Documents: [Accounts and Audit Regulations 2015](#)
[PSIAS 2017](#)
CIPFA Local Government Application Note for the UK PSIAS