

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

15th April 2024

INTERNAL AUDIT PLAN 2024/25

Report of the Head of the Internal Audit Consortium

Classification: This report is public

Report By: Head of the Internal Audit Consortium

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PURPOSE / SUMMARY

To present to Members for consideration and agreement the Internal Audit Plan for 2024/25.

RECOMMENDATIONS

1. That the Internal Audit Plan for 2024/25 be agreed.
2. That it be noted that the plan is provisional and may need adjusting and prioritising in the light of any emerging risks / staff shortages etc.

IMPLICATIONS

Finance and Risk: Yes No

Details:

The internal audit budget for 2024/25 has been approved by the Joint Board.

The audit plan is designed to provide assurance that the council's significant risks identified as part of the risk assessment process are being managed effectively. If additional risks are identified and / or there are changes to priorities during the year the plan will be reconsidered. Any significant changes to the plan will be reported back to the Audit Committee for approval.

On Behalf of the Section 151 Officer

Legal (including Data Protection):

Yes

No

Details:

The core work of internal audit is derived from the statutory responsibility under 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 in to account public sector internal auditing standards or guidance”.

On Behalf of the Solicitor to the Council

Staffing:

Yes

No

Details:

On behalf of the Head of Paid Service

DECISION INFORMATION

Decision Information	
Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: NEDDC: Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Significantly Affected	None
Consultation: Leader / Deputy Leader <input type="checkbox"/> Cabinet <input type="checkbox"/> SMT <input checked="" type="checkbox"/> Relevant Service Manager <input checked="" type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Yes Details:

Links to Council Plan (NED) priorities, including Climate Change, Equalities, and Economics and Health implications.

The internal audit plan is linked to the Council Plan in respect of its aim to continually improve Council services to deliver excellence and Value for money and to provide assurance in respect of the Council's governance, risk and control arrangements.

REPORT DETAILS

1 Background

1.1 A key requirement of the Public Sector Internal Audit Standards is that a periodic risk- based plan should be prepared that is sufficiently flexible to reflect the changing risks and priorities of the organisation. The risk- based plan should be fixed for a period of no longer than one year, should outline the assignments to be carried out, their respective priorities and the estimated resources needed.

2. Details of Proposal or Information

2.1 The plan has been prepared taking into account the following factors: -

- The organisational objectives and priorities,
- The organisations strategic and operational risks,
- The requirement to produce an annual internal audit opinion on the Council's governance, risk and control arrangements,
- Consultation with the Senior Management Team

2.2 Over the last few years there has been a gradual reduction of time spent on the main financial systems. This is on the basis that the controls in place are tried and tested, that systems and staff remain the same. This allows us to spend more time on other areas that may pose greater risk or that we have not reviewed for some time. Internal audit covers the whole of the council's governance, risk and control arrangements and therefore there is an increasing number of non- financial areas to assess such as climate change and health & safety.

2.3 Some reserve audit areas have been included at the end of the plan. Whilst every effort will be made to complete the 2024/25 planned areas first, a list of reserve areas provides more flexibility if it is necessary to defer any audits. If the contingency days are not required then these will be utilised on the reserve areas.

2.4 An annual report summarising the outcome of the 2023/24 internal audit plan will be presented to this Committee after the year-end. Some of the areas within the 23/24 plan have been carried forward to 2024/25.

- 2.5 A summary of the internal audit plan for 2024/25 is shown below and in detail at Appendix 1.

Internal Audit Plan 2024/25

Summary	Audit Days
Main Financial Systems	67
Other Operational Audits	138
Computer / IT Related	15
National Fraud Initiative	5
Rykneld Homes	97
Corporate / Cross Cutting / Governance	79
Special Investigations & Contingency	40
Apprenticeships / Training	30
Audit Committee / Client Liaison	15
Grand Total	486

- 2.6 Resource availability has been based on the Consortium Business Plan that was approved by the Joint Board on the 27th March 2024. The plan allocates 486 days to North East Derbyshire District Council for 2024/25, this is the same allocation as in 2023/24.
- 2.7 The plan is ambitious and is reliant upon having a full staffing complement and fully trained staff. The Consortium is currently fully staffed but has a number of new staff that are being trained.

3 Reasons for Recommendation

- 3.1 To comply with the Public Sector Internal Audit Standards and to determine the internal audit work plan for the year.
- 3.2 To ensure that the annual internal audit opinion can provide assurance in respect of the Council's governance, risk and control arrangements.

4 Alternative Options and Reasons for Rejection

- 4.1 None

DOCUMENT INFORMATION

Appendix No	Title
1	Internal Audit Plan 2024/25
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet you must provide copies of the background papers)	