

**SOUTH STAFFORDSHIRE COUNCIL****AUDIT & RISK COMMITTEE – 20<sup>th</sup> JUNE 2023****PROPOSED INTERNAL AUDIT STRATEGY AND PLAN 2023/24****REPORT OF THE CHIEF INTERNAL AUDITOR****PART A – SUMMARY REPORT****1. SUMMARY OF PROPOSALS**

This report presents the proposed Internal Audit Strategy for approval and the Internal Audit Plan and Counter Fraud Plan 2023/24 for consideration.

**2. SUMMARY IMPACT ASSESSMENT**

POLICY/COMMUNITY IMPACT	Do these proposals contribute to specific Council Plan objectives?	
	Yes	<p>The work of the Audit &amp; Risk Committee can aid the achievement of the Authority's goals and objectives through helping ensure appropriate governance, risk, control and assurance arrangements.</p> <p>The delivery of the Annual Internal Audit Plan and Counter Fraud Plan provides management with assurances that their service objectives which support the Council's priorities are being achieved.</p> <p>The work of Internal Audit covers those priorities contained within the Council's Plan 2020-2024.</p>
	Has an Equality Impact Assessment (EqIA) been completed?	
	No	The work of the Audit & Risk Committee is not considered to have any adverse implications to equal opportunities and diversity policies.
SCRUTINY POWERS APPLICABLE	No	
KEY DECISION	No	
TARGET COMPLETION/ DELIVERY DATE	20 <sup>th</sup> June 2023	
FINANCIAL IMPACT	Yes	There are no direct financial implications. The current costs of the Internal Audit Service are contained within the Medium Term Financial Strategy as are the costs of insurance covers to mitigate the cost of any

		financial loss arising from the failure of internal controls.
LEGAL ISSUES	Yes	<p>Section 151 of the Local Government Act 1972 The Accounts &amp; Audit Regulations 2015</p> <p>A sound system of internal audit, and monitoring of the same, assists in compliance with the above statutory duties.</p> <p>The results of Internal Audit's work feed into the Council's Annual Governance Statement.</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	Internal audit objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. Internal Audit will continue to align its work with the Strategic and Operational Risk Registers.
IMPACT ON SPECIFIC WARDS	No	No impact.

## **PART B – ADDITIONAL INFORMATION**

3.1 As part of its responsibilities, the Internal Audit Service is responsible for conducting independent reviews of the Council's internal control systems as a contribution towards the proper, economic, efficient and effective use of the Council's resources. The Section's duties are laid out in legislation, the Accounts and Audit Regulations 2015 which requires every local authority to maintain an adequate and effective internal audit.

3.2 Internal Audit is also a key source of independent assurance for management, designed to add value and improve how the Council operates. The results of Internal Audit's work feeds into the Council's Annual Governance Statement.

### **The Internal Audit Strategy 2023/24**

3.3 The Internal Audit Strategy confirms how the audit universe is determined, the risk assessment used and the key principles applied to determine how audit resources are to be utilised. An explanation covering how the overall annual audit opinion given by the Head of Internal Audit (HIA) on the Authority's control environment will be determined is also provided.

3.4 The proposed Annual Audit Opinion Methodology was revised and agreed in 2022/23 to take account of the level and categories of audit work included in the Internal Audit and Counter Fraud Plans and to ensure that the methodology continued to be representative of the Council's control environment. No further amendments to the Methodology have been identified for 2023/24.

## Proposed 2023/24 Internal Audit Plan and Counter Fraud Plan

- 3.5 The proposed Internal Audit Plan and Counter Fraud Plan 2023/24 have been discussed with members of the Corporate Leadership Team (CLT) and are presented to Members for final endorsement.
- 3.6 The Internal Audit Plan and Counter Fraud Plan has been prepared in accordance with the Internal Audit Strategy.
- 3.7 It is recognised that the Internal Audit Plan needs to be reviewed continuously and remain sufficiently flexible to ensure that it is focused fully on the Council's principal risks (both current and emerging); hence it may change throughout the year. Any major revisions will be reported to future meetings of the Audit & Risk Committee.
- 3.8 The Internal Audit Strategy, Internal Audit Plan and Counter Fraud Plan 2023/24 are attached as **Appendix 1** to this report.

## **4. IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

- 4.1 None identified

## **5. PREVIOUS MINUTES**

- 5.1 Not Applicable

## **6. BACKGROUND PAPERS**

Appendix 1 – Internal Audit Strategy & Plan 2023/24

## **7. RECOMMENDATIONS**

- 7.1 To approve the Internal Audit Strategy for 2023/24
- 7.2 To review the proposed coverage of the Internal Audit Plan and Counter Fraud Plan 2023/24
- 7.3 To recommend approval of the Internal Audit Plan and Counter Fraud Plan for 2023/24 to the s151 Officer.

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