



Governance Scrutiny Group

Thursday, 22 February 2024

Internal Audit Strategy 2024-2027

Report of the Director - Finance and Corporate Services

1. Purpose of report

- 1.1. On 3 February 2022, the plan for 2022/23, as well as provisional internal audit plans for a new cycle of audits in 2023/24 and 2024/25, were approved by the Governance Scrutiny Group.
- 1.2. This report focuses on the planned audits due to take place in year two of the new cycle of audits. These are listed at Appendix A for consideration.
- 1.3. A member of the BDO internal audit team will attend the meeting to present the report and answer any questions the Group may have.

2. Recommendation

It is RECOMMENDED that the Governance Scrutiny Group review and approve:

- a) the Internal Audit Strategy and Plan 2024/25-2026/27
- b) the Internal Audit Charter, Appendix 1 of the Internal Audit Strategy and Plan.

3. Reasons for Recommendation

- 3.1. To conform with best practice and Public Sector Internal Audit Standards; and give assurance to the Governance Scrutiny Group regarding the Council's internal control environment.

4. Supporting Information

- 4.1. The Governance Scrutiny Group in February 2023 considered and approved the Audit Strategy for the 2023/24 to 2025/26 period. This report presents the proposed audit plan for the three-year period 2024/25 to 2026/27.
- 4.2. The plan is set within the context of a multi-year approach to internal audit planning, such that areas of key risks would aim to be looked at over a three-year audit cycle.

- 4.3. Appendix A gives an indicative strategic plan for 2024/25-2026/27 and the programme is kept under continuous review during the year with any areas of significant risk added during that period.
- 4.4. Nine audits are planned for 2024/25 totalling 150 days and covering a number of the Council's key policies and systems. These include:
- Main Financial Systems
 - Budgetary Control
 - Procurement
 - Environment – Carbon Management Action Plan
 - Workforce and Succession Planning
 - Fraud report
 - Disabled Facilities Grants
 - Equality, Diversity and Inclusion
 - Cyber Security.
- 4.5. There will also be a follow-up audit of recommendations made in previous years but not yet implemented to ensure that audit recommendations are being complied with by officers.
- 4.6. There are three questions to assist the Group in their consideration of the audit plan. These are:
- Is the Group satisfied that sufficient assurance is being received within their annual plan to monitor the Council's risk profile effectively?
 - Does the strategy for internal audit cover the Council's key risks as they are recognised by the Group?
 - Are the areas selected for coverage this coming year appropriate?
- 4.8. There is also a requirement that Councillors understand and approve the role and scope of Internal Audit covered in the Internal Audit Charter as stated at Appendix 1 of the audit plan.

5. Risks and Uncertainties

- 5.1. There are no risks directly attributable to the report although the nature of the internal audit service and the audit plan helps manage risk. The audit fees are always subject to risk in terms of if an internal control weakness is identified fees can potentially exceed the budget or work may take less time than planned (ie there is both upside and downside risk).

6. Implications

6.1. Financial Implications

The audit fee relating to the costs of the audit work is included within existing budgets. The audit plan is constrained by a finite number of days commensurate with the risks pertaining to the Council.

6.2. Legal Implications

There are no legal implications arising from this report.

6.3. Equalities Implications

There are no equalities implications arising from this report.

6.4. Section 17 of the Crime and Disorder Act 1998 Implications

There are no Section 17 implications arising from this report.

6.5. Biodiversity Net Gain Implications

There are no Biodiversity Net Gain implications arising from this report.

7. Link to Corporate Priorities

Quality of Life	The nature of audit is that it is cross cutting across a range of services and will impact on all of the Council's Corporate Objectives
Efficient Services	
Sustainable Growth	
The Environment	

8. Recommendations

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For more information contact:	Peter Linfield Director - Finance and Corporate Services Tel: 0115 9148439 plinfield@rushcliffe.gov.uk
Background papers available for Inspection:	None
List of appendices:	Appendix A –Internal Audit Strategy 2024/25-2026/27