

NORTH LINCOLNSHIRE COUNCIL

AUDIT COMMITTEE

INTERNAL AUDIT PLAN 2022-23 UPDATE

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To provide an update to the Audit Committee on the Internal Audit Plan 2022/23, and to provide an update on reports issued in final as part of the delivery of plan.

2. BACKGROUND INFORMATION

- 2.1 At the meeting of the Audit Committee held on 23 March 2022 the Head of Audit and Assurance presented the Internal Audit Plan 2023/23. The report provided an outline of the audit priorities and activities for 2022/23, how it will be delivered and resourced, a commentary on the methodology for its compilation, and assurance on compliance with auditing standards.
- 2.2 As reported, as of 11 March 2022, the section relating to strategic risks/ operational risks/ governance was subject to final discussion with senior management as well as further development so any risks raised through the completion of the Annual Governance Statement can be factored into the Plan. It was reported that a final detailed plan will be shared with the Audit Committee later in the year.
- 2.3 The updated Audit Plan 2022/23 is attached (appendix 1). This shows a breakdown of the planned audit relating to strategic risks/ operational risks/ governance. As well as the assignments listed, the estimated time allocated to this area includes assignments carried forward for completion from the 2021/22 audit. In relation to the Plan overall, contingency has been reduced from the original 40 days to 30 days. This is to allow for additional time to be allocated to advisory work due to the time required to support the verification of Energy Rebates via the Council Tax system.
- 2.4 As Members of the Committee will be aware the audit plan is subject to regular review and amendment to take account of changes in the Council's risk profiles and priorities and the level of audit resources available. Internal Audit will report any significant changes to the plan to future meetings, and particularly present an Interim Audit Report in January. In relation to the work reported as at 31 August 2022 no specific areas of concerns have been identified.

3. OPTIONS FOR CONSIDERATION

3.1 In line with the PSIAS requirements, the Audit Committee to consider the updates to the Internal Audit plan, and to seek assurance that it continues to be produced on a proper basis and will provide sufficient assurance to form a reliable opinion on the Council's control environment.

3.2 The audit committee does not consider updates to the Internal Audit Plan.

4. ANALYSIS OF OPTIONS

4.1 This report provides an update to the Internal Audit Plan as required by the report approved by the Audit Committee on 23 March 2022.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g., LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.

5.1 As reported on 23 March 2022, the plans will be delivered from existing resources within the council's internal audit service, which is provided through a Shared Service, as well as a third-party specialist IT Audit support. The resource allocation is based upon assumptions about the design and operation of systems and processes; the co-operation of council staff with the audit process; and estimated vacancy and absence rates. The resource allocation will be reviewed periodically to take account of any changes in delivery and resources. Should the initial assumptions be subject to significant change then an update on the impact of any subsequent resourcing risks, and how they will be managed, will be reported to the Audit Committee

6. OTHER RELEVANT IMPLICATIONS (e.g., CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc

6.1 As reported on 23 March 2022, the compilation of the audit plan, and any updates and amendments to it, is based on risk with those areas with the potential biggest risk to an effective control environment being prioritised. The achievement of the Council's strategic outcomes, its legislative and regulatory responsibilities and the Council's risk register are all considered when compiling and updating the audit plan.

7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

7.1 Due to the nature of this report an Integrated Impact Assessment is not required.

8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

8.1 There are no conflicts of interests to declare in relation to this report

9. RECOMMENDATIONS

- 9.1 That the Audit Committee notes the updates to strategic risks/ operational risks/ governance section of the Internal Audit Plan 2022/23 and the outcome of work reported up to 31 August 2022.

DIRECTOR: GOVERNANCE AND COMMUNITIES

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Background Papers:

Internal Audit Plan 2022/23- Audit Committee 23 March 2022

<https://northlincolnshire.moderngov.co.uk/documents/s9483/Internal%20Audit%20Plan%202022-23%20appendix.pdf>