

Name of Committee:	Audit & Finance Committee		
Committee Date:	30 th October 2023		
Report Title:	Internal Audit Plan 2023/24		
Responsible Officer:	Steven Pink		
Cabinet Lead:	Councillor Bowdell		
Status:	Non-Exempt		
Urgent Decision:	Yes / No	Key Decision:	Yes/ No
Appendices:	Appendix A – Internal Audit Plan 2023/24		
Background Papers:	None		
Officer Contact:	Name: Steven Pink Email: Steven.pink@havant.gov.uk		
Report Number:	HBC/043/2023		

Corporate Priorities:

Internal audit plays a vital role in helping the Council accomplish its strategic objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Executive Summary:

The Internal Audit Plan provides the mechanism through which the Chief Internal Auditor can ensure the most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

To ensure the Internal Audit Plan is aligned to the needs of the Council, the plan has been developed following consultation with Council's Management Team; a review of key documents including the Corporate Risk Register and updated Corporate Strategy; and our understanding of the organisation and key priorities for 2023-24.

The Internal Audit Plan is based upon the reduction of audit days and Illustrative Internal Audit Coverage agreed by the Audit and Finance Committee in July 2023. The Internal Audit Plan will remain fluid and subject to on-going review, and amended in consultation with the relevant officers, to ensure it continues to reflect the needs and capacity of the Council. Amendments to the plan will be identified through the Chief Internal Auditor's continued contact and liaison with those responsible for the governance of the Council.

The Council's 'internal audit charter' ensures the Chief Internal Auditor has sufficient resource necessary to fulfil the requirements and expectations to deliver an internal

audit opinion. Significant matters that jeopardise the delivery of the plan, or require changes to the plan will be identified, addressed and reported to the Management Team.

Recommendations:

The Audit and Finance Committee is requested to:

- A. Approve the 2023/24 annual audit plan

1.0 Introduction

- 1.1 The purpose of this paper is to provide the Audit and Finance Committee with the Internal Audit Plan for 2023-24.
- 1.2 The aim of internal audit's work programme is to provide independent and objective assurance to management, in relation to the business activities, systems or processes under review that:
 - The framework of internal control, risk management and governance is appropriate and operating effectively; and
 - Risks to the achievement of the Council's objectives are identified, assessed and managed to a defined acceptable level.

2.0 Background

- 2.1 In accordance with the Public Sector Internal Audit Standards there is a requirement that internal audit establish a risk-based audit plan to determine the resourcing of the internal audit service, consistent with the organisation's goals. In order to provide annual assurance of the Council's framework of governance, risk and internal control, a suitable level of audit coverage is essential.
- 2.2 In January 2023, at the request of the Council's Management Team, we were asked to provide an options paper with a view to reduce audit days in order to make cost savings for the Council and reduce the officer time required to facilitate audits.

- 2.3 The Council then requested a reduction of 50 audit days per annum and received an indicative outline of audit coverage over a three-year period, which was provided as part of a draft audit plan to the Audit and Finance Committee.
- 2.4 The overall cope of the plan and the reduction in days to 250 days was approved at the Audit and Finance Committee held on 10th July 2023.
- 2.5 Following the approval of the audit charter and the number of days, the draft audit plan has been discussed with the Executive officers of the Council and refined before being presented here for final approval.

3.0 Options

- 3.1 Not applicable

4.0 Relationship to the Corporate Strategy

- 4.1 Internal audit plays a vital role in helping the Council accomplish its strategic objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

5.0 Conclusion

- 5.1 The audit plan has been carefully considered between the Southern Internal Audit Partnership in conjunction with the Executive team at Havant Borough Council and with input from portfolio holders and Cabinet members.
- 5.2 The plan will provide an appropriate level of assurance for the Council that its practices and processes are delivered in an effective and compliant manner and minimise the risk of errors or malpractice.

6.0 Implications and Comments

- 6.1 S151 Comments

The Internal Audit Coverage set the outline plan of audit work to be covered over the next 12 months. It will go to form part of a 3-year rolling plan for internal audit work and consists of an average of 250 days audit work per year.

The document shows the key areas that internal audit will focus on and the estimated number of days required to resource each area of focus.

After the separation from East Hampshire District Council, there was a need for significant internal audit work to ensure the new practices and processes were reasonable and operating effectively. However, as we move into financial year 2023/24 the scale of internal audit can move towards a more “business as usual” approach, and the number of audit days has now reduced from 300 to 250 days per year (with an associated reduction in costs) to better reflect the requirements of a smaller stand-alone authority.

It is therefore, also my recommendation that the committee approves the audit plans presented to ensure completion of the plan’s objectives by the end of the financial year.

6.2 Financial Implications

Internal Audit is provided through the Southern Internal Audit Partnership. The audit plan consists of 250 audit days and will remain fluid throughout the year to meet the changing needs and capacity of the Council.

6.3 Comments Received on Behalf of the Monitoring Officer

The Accounts and Audit Regulations state that a relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards

6.4 Equality and Diversity

Not Applicable

6.5 Human Resources

Not Applicable

6.6 Information Governance

Not Applicable

6.7 Climate and Environment

Not Applicable

7.0 Risks

- 7.1 Failure to deliver a coherent and appropriate audit plan would increase the risk of failing within the Council's service delivery.
- 7.2 The audit needs assessment follows a risk-based audit approach taking cognisance of the Council's risk register.

8.0 Consultation

- 8.1 This report has been discussed with the Council's Section 151 Officer who has regular update meetings with the Deputy Head of Southern Internal Audit partnership.

9.0 Communications

- 9.1 No applicable

Agreed and signed off by:		Date:
Cabinet Lead:	Cllr N Bowdell	20/10/2023
Executive Head:	Matt Goodwin	20/10/2023
Monitoring Officer:	Sarita Riley (on behalf of)	20/10/2023
Section151 Officer:	Steven Pink	19/10/2023