

	Audit and Standards Advisory Committee 21 March 2023
	Report from Corporate Director Finance and Resources
Draft Internal Audit Strategic Plan and Counter Fraud Plan for 2023/24	

Wards Affected:	All
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	Two <ul style="list-style-type: none"> • Appendix A – Internal Audit Strategic Plan • Appendix B – Annual Counter Fraud Plan
Background Papers:	None
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1. Purpose of the Report

- 1.1 This report sets out the draft Internal Audit Strategic Plan and the Counter Fraud Plan for 2023-24.
- 1.2 The Council has a statutory duty to maintain an adequate and effective internal audit function. The Audit and Investigations service provides this function.
- 1.3 Our primary objective is to offer the Council, via the Audit and Standards Advisory Committee, an independent and objective appraisal of whether objectives are being met. We also provide advice and guidance to management on risk and control issues within individual processes. We aim to achieve this through a planned programme of work based on an annual assessment of the major risks facing the Council.
- 1.4 The draft strategic plan, attached at **Appendix A**, details the work to be undertaken by Internal Audit in 2023-24 to deliver this objective. **Appendix B** also summarises our planned counter fraud work for this period.

2. Recommendation

- 2.1 The Committee is asked to agree the draft Internal Audit Strategic Plan and Counter Fraud Plan for 2023-24.

3. Internal Audit Plan and Strategy

- 3.1 The Public Sector Internal Audit Standards (PSIAS) requires that the Head of Internal Audit effectively manages internal audit activity to ensure it adds value to the organisation. Furthermore, the PSIAS state that a risk-based plan must be prepared to determine the priorities of the Internal Audit service, and to ensure these are consistent with the organisation's objectives.
- 3.2 As seen at Appendix 1, the 2023-24 audit plan has been incorporated into a wider Internal Audit Strategic Plan, which is in-line with best practice and sets out how Internal Audit will seek to add value to the Council. The plan has been drawn up to address the statutory requirements and key risks for the Council, taking into account the available resources within the Internal Audit service.
- 3.3 To develop the plan and determine coverage of Internal Audit work for 2023-24, Internal Audit has consulted with senior management via Departmental Management Teams and Senior Leadership Teams in order to obtain an understanding of the Council's strategies, key objectives and associated risks. In addition, Internal Audit has also undertaken a risk assessment exercise and reviewed departmental risk registers and the Council's Strategic Risk Register, in order to identify key risks that may threaten the achievement of the Council's objectives.
- 3.4 An assurance map has also been included, which details Internal Audit coverage of actions to mitigate strategic risks from 2019-20 to 2023-24. The alignment of the audit plan and the work of Internal Audit to the Council's strategic risks represents good practice and helps to demonstrate how Internal Audit adds value.
- 3.5 As in previous years, the 2023-24 plan will need to be particularly flexible to provide most value to services that are undergoing significant levels of change. To this end, whilst Internal Audit will deliver a risk based plan, we will also remain responsive to the needs of auditees and wider-stakeholders and will continue to provide ad hoc control advice and support where required.

4. Counter Fraud Plan

- 4.1 As is the same for all local authorities, fraud remains an area of inherent risk to the Council. The Counter Fraud Plan, seen at Appendix 2, details how the resources of the Counter Fraud team will be deployed and targeted to achieve the aims and objectives of the Council's anti-fraud policies.
- 4.2 The work of the Counter Fraud Team is split between reactive and proactive activity. Reactive work largely consists of referrals to the team from the Internal, Housing or External fraud types. Proactive activity is generated from within the service in response to a range of fraud risks and can incorporate any of the reactive fraud types.

4.3 The plan also details the team’s Fraud Awareness Plan, which details the activities to be undertaken by the team to raise awareness of fraud risks amongst officers, residents and Members to help ensure that the Council’s assets are adequately protected.

5. Financial Implications

5.1 The proposed Internal Audit Plan for 2023/24 will be delivered in accordance within the approved budget.

6. Legal Implications

6.1 All Local Authorities are required to make proper provision for Internal Audit in line with the 1972 Local Government Act and Accounts and Audit Regulations 2011 (as amended). The Public Sector Internal Audit Standards 2017, also require proper planning of audit work.

7. Equality Implications

7.1 None

8. Human Resources/Property Implications (if appropriate)

8.1 None

Report sign off:
Minesh Patel
Corporate Director Finance and Resources