



**OPEN REPORT  
GOVERNANCE AND RESOURCES COMMITTEE**

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**Governance and Resources Committee 21st March 2024**

**Internal Audit Plan 2024/25**

**Report of the Director of Resources**

**Report Author and Contact Details**

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**Wards Affected**

District Wide

**Report Summary**

To present to members the 2024/25 Internal Audit Plan for approval.

**Recommendations**

1. That the proposed internal audit plan for 2024/25 be agreed.
2. That it be noted that the plan is provisional and may need adjusting and prioritising in the light of any emerging risks/staff shortages etc.

**List of Appendices**

Appendix 1 Internal Audit Plans 2023/24 to 2026/27

**Background Papers**

None

**Consideration of report by Council or other committee**

N/A

**Council Approval Required**

No

**Exempt from Press or Public**

No

## **Internal Audit Plan 2024/25**

### **1. Background**

- 1.1 A key requirement of the Public Sector Internal Audit Standards is that a periodic risk- based plan should be prepared that should be sufficiently flexible to reflect the changing risks and priorities of the organisation. The risk-based plan should be fixed for a period of no longer than one year, should outline the assignments to be carried out, their respective priorities and the estimated resources needed.
- 1.2 The Public Sector Internal Audit Standards states that the Head of Internal Audit must lead and direct an internal audit service that is resourced appropriately, sufficiently and effectively to be able to provide an opinion on the adequacy and effectiveness of the organisations framework of governance, risk management and control. Members and the leadership team need regular assurance that the organisation has good governance and is effectively managing its risks.

### **2 Key Issues**

- 2.1 The internal audit establishment consists of a full time Senior Auditor and a full time Auditor with management support from the Head of the Internal Audit Consortium. The number of operational days available has been calculated by taking the number of week-days in the year and deducting days for annual leave, bank holidays, training, administration, team meetings etc.
- 2.2 The Internal Audit Section is currently fully staffed. The bulk of the 2023/24 Internal Audit plan has been completed with just a few audits being rolled forward to 2024/25.
- 2.3 The plan has been prepared taking into account the following factors:-
- The organisation's objectives and priorities
  - Local and national issues and risks
  - The requirement to produce an annual internal audit opinion – adequate coverage of risk, governance and control arrangements
  - The Council's Strategic and Operational Risk Registers
  - The views of the Director of Resources and Corporate Leadership Team.
- 2.4 Over the last few years there has been a gradual reduction of time spent on the main financial systems. This is on the basis that the controls in place are tried and tested, and that systems and staff remain the same. This allows us to spend more time on other areas that may pose greater risk or that we have not reviewed for some time. Internal audit covers the whole of the council's governance, risk and control arrangements and therefore there is an increasing number of non- financial areas to assess, such as social media and health & safety.
- 2.5 A summary of the internal audit plan is shown below and in detail at Appendix 1:

## Internal Audit Plan 2024/25

Summary	Planned Audit Days
Main Financial Systems	55
Other Operational Audits	112
Computer / IT Related	13
Corporate / Cross Cutting	77
Special Investigations & Contingency	25
Provision of financial advice	25
National Fraud Initiative / elections	3
Management Service	30
<b>Grand Total</b>	<b>340</b>

### 3 Options Considered and Recommended Proposal

3.1 N/A

### 4 Consultation

4.1 N/A

### 5 Timetable for Implementation

5.1 N/A

### 6 Policy Implications

6.1 Effective Internal Audit arrangements contribute to good governance and to the corporate priority of a “Financially sound, fair and responsive Council”.

6.2 Audit reviews help to ensure that the Council’s resources and priorities are focused on achieving the objectives within the corporate plan and that there are appropriate governance, risk and control arrangements in place.

### 7 Finance and Resource Implications

7.1 The plan is ambitious and is reliant upon having a full staffing complement.

7.2 The costs of the internal audit function can be met from the approved budget. Therefore, there are no financial risks arising from the recommendations of this report.

7.3 If no or inadequate internal audit arrangements are in place, there could be an increased risk of financial loss. As the internal audit function is now fully staffed, this risk is assessed as low.

## 8 Legal Advice and Implications

- 8.1 As stated above, this report is to present to members the 2024/25 Internal Audit Plan for approval.
- 8.2 The core work of internal audit is derived from the statutory responsibility under the Accounts and Audit Regulations 2015 which requires the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking in to account public sector internal auditing standards or guidance”.
- 8.3 The legal risk of challenge when taking the 2 recommended decision as noted at the beginning of this report has been assessed as low.

## 9 Equalities Implications

- 9.1 There are no equalities implications arising from this report.

## 10 Climate Change Implications

- 10.1 Whilst there are not considered to be any direct climate change impacts in relation to this report, sound internal control, governance and risk management arrangements will support the achievement of the Council’s objectives.

## 11 Risk Management

- 11.1 The audit plan is designed to provide assurance that the council’s significant risks identified as part of the risk assessment process are being managed effectively. If additional risks are identified and / or there are changes to priorities during the year the plan will be reconsidered. Any significant changes to the plan will be reported back to the Governance and Resources Committee for approval.

### Report Authorisation

Approvals obtained from:

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Paul Wilson	11/03/2024
Director of Resources/ S.151 Officer	Karen Henriksen	13/03/2024
Monitoring Officer	Helen Mitchell	12/02/2024