



**OPEN REPORT**  
**GOVERNANCE AND RESOURCES COMMITTEE**

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**Governance and Resources Committee – 8 March 2023**

**INTERNAL AUDIT PLAN 2023/24**

**Report of the Director of Resources**

**Report Author and Contact Details**

Jenny Williams, Head of the Internal Audit Consortium  
01246 959770 or [Jenny.Williams@chesterfield.gov.uk](mailto:Jenny.Williams@chesterfield.gov.uk)

**Wards Affected**

District Wide

**Report Summary**

To present to members the 2023/24 Internal Audit Plan for approval.

**Recommendations**

That the proposed internal audit plan for 2023/24 be agreed.

**List of Appendices**

Appendix 1 Internal Audit Plans 2021/22 to 2025/26

**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 2023/24

### 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 In August 2022 both of the Council's Auditors left the Authority for promotions elsewhere and so far the Council has been unable to recruit to these positions. A Senior Auditor was appointed in December 2022 however their personal circumstances changed which meant that the appointment fell through. The Director of Resources is planning on re advertising the post.
- 2.3 This meant that only 3 audits *have been* completed in the 2022/23 financial year. As a result, the 2022/23 Internal Audit Plan has largely been rolled forward to 2023/24. The days for the audits that were completed have been added to contingency with the exception of 10 days that have been allocated to climate change as this is a topical high risk area.
- 2.4 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.
- 2.5 A summary of the plan is detailed below: -

## Internal Audit Plan 2023/24

Summary	Planned Audit Days
Main Financial Systems	74
Other Operational Audits	61
Computer / IT Related	10
Corporate / Cross Cutting	94
Special Investigations & Contingency	62
Provision of financial advice	25
National Fraud Initiative	1
Management Service	30
<b>Grand Total</b>	<b>357</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 N/A

### **7 Finance and Resource Implications**

7.1 Completion of the proposed plan will rely on the ability to recruit internal audit staff or the implementation of other options. The financial risk is assessed as low.

### **8 Legal Advice and Implications**

8.1 This report is to present to members the 2023/24 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 connected to the decision making contained in 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 There are no climate change implications arising from this report.

## **11 Risk Management**

11.1 The lack of an adequate internal audit service could lead to a failure to identify weaknesses in governance, control and risk management processes. If sufficient internal audit work is not completed to be able to provide the relevant assurances then a limited internal audit opinion must be given at the year end. This in turn will have to feed into the Annual Governance Statement, may effect external audits opinion on value for money and could lead to non - compliance with the Public Sector Internal Audit Standards. Members and the Corporate Leadership team would not have independent assurance on governance and risk.

Approvals obtained from:

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Paul Wilson	27/02/2023
Director of Resources/ S.151 Officer (or Financial Services Manager)	Karen Henriksen	27/02/2023
Monitoring Officer (or Legal Services Manager)	Kerry France	27/02/2023