

Bath & North East Somerset Council			
MEETING:	Corporate Audit Committee		
MEETING DATE:	28 th April 2022	AGENDA ITEM NUMBER	
TITLE:	Internal Audit Plan - 2022/2023		
WARD:	ALL		
AN OPEN PUBLIC ITEM			
List of attachments to this report:			
Appendix 1 – Internal Audit Plan 2022/23			
Appendix 2 – Internal Audit Charter 2022			

1 THE ISSUE

1.1 This is a report detailing the proposed Internal Audit Plan for 2022/23. In addition, the Internal Audit Charter setting out the purpose, authority and principal responsibilities of the Internal Audit Service has been subject to an annual review resulting in minor amendments related to a recent Senior Management restructure.

2 RECOMMENDATION

2.1 The Corporate Audit Committee is asked to:

- Approve the Internal Audit Plan 2022/23 (Appendix 1)
- Approve the Internal Audit Charter 2022 (Appendix 2)

3 THE REPORT

Internal Audit Plan 2022/23

3.1 The Public Sector Internal Audit Standards require Internal Audit to prepare a risk-based plan and this is attached at Appendix 1.

3.2 The list of internal audit reviews recorded in Section 6 of the Internal Audit Plan has resulted from an audit needs assessment using our reasonable assurance model which includes wide consultation with Statutory Officers, Directors and other senior managers. The Audit Committee was also consulted at its last meeting.

- 3.3 Notwithstanding the assessment, specific circumstances (such as a significant reputational issue or request of S151 Officer or Senior Management Team) may on occasion mean that a low scoring topic is nevertheless included in the Plan.
- 3.4 The last two years and the impacts of Covid19 on the community and the response required by the Council has evidenced how important it is for work of the Internal Audit Service to be responsive and flexible.
- 3.5 The Internal Audit Plan will therefore need to be flexible and kept under review in response to rapidly changing risks and amended when necessary. A half year position report will be presented to Committee later in 2022/23 and if necessary, a revised Internal Audit Plan will be submitted for approval. Statutory Officers including the Chief Finance Officer will be consulted on any significant changes to the Committee approved Plan.
- 3.6 In addition to Members being kept informed of developments in the Audit Plan, Committee members will also receive formal updates on performance during the year.

Internal Audit Charter & Professional Standards

- 3.7 The Public Sector Internal Audit Standards (PSIAS) came into effect from 1st April 2013 and replaced the CIPFA Code of Practice for Internal Audit in Local Government, Central Government and the NHS. The PSIAS was revised w.e.f. 1st April 2017 and are based on the Institute of Internal Auditors' International Standards. The objectives of the PSIAS are to:
- Define the nature of internal auditing within the UK public sector.
 - Set basic principles for carrying out internal audit in the UK public sector.
 - Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations.
 - Establish the basis for the evaluation of internal audit performance and to drive improvement planning.
- 3.8 A key requirement of the PSIAS is an Internal Audit Charter which defines the internal audit activity's purpose, authority and responsibility. The Internal Audit Charter establishes its position within the organisation; the nature of the Chief Audit Executive (CAE's) functional reporting relationship with the Audit Committee; formally records its access to property, records and personnel; and defines the scope of internal audit activities. The CAE must periodically confirm their independence and review the Internal Audit Charter and present it to the Audit Committee for approval and attached at Appendix 2 is the latest refreshed version.

- 3.9 The changes to the Internal Audit Charter were very minor in terms of wording but significant in terms of transfer of the designated position of Chief Audit Executive from the Director - One West to the Head of Audit and Assurance.
- 3.10 This formal record of changes of responsibilities, is important to enable the Head of Audit & Assurance to carry out other tasks related to the post of Chief Audit Executive (Chief Internal Auditor) including the internal audit certification (assurance work) related to grant funding provided by WECA and central government funding bodies. The transfer of responsibilities will ensure the independence of the Internal Audit function.

4 STATUTORY CONSIDERATIONS

- 4.1 There are no specific statutory considerations related to this report. Accounts & Audit Regulations set out the expectations of provision of an Internal Audit service. This is supported by S151 of the Local Government Act and CIPFA Codes of Practice and the IIA professional standards for delivery of an adequate Internal Audit Service.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 There are no direct resource implications relevant to this report.

6 RISK MANAGEMENT

- 6.1 A proportionate risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance. Significant risks to the council arising from an ineffective Internal Audit Service include lack of internal control, failures of governance and weak risk management. Specific risks include supplementary External Audit Fees, undetected fraud and inadequate coverage of risks arising from COVID-19. Internal Audit assists the council in identifying risks, improvement areas and recommending good practice.
- 6.2 The Corporate Audit Committee has specific responsibility for ensuring the Council's Risk Management and Financial Governance framework is robust and effective.

7 EQUALITIES

- 7.1 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

8 CLIMATE CHANGE

8.1 There are no direct climate change implications related to this report.

9 OTHER OPTIONS CONSIDERED

9.1 No other options to consider related to this report.

10 CONSULTATION

10.1 The Council's Section 151 Officer has had the opportunity to input to this report and has cleared it for publication.

Contact person	Andy Cox (01225 477316)
Background papers	
Please contact the report author if you need to access this report in an alternative format	