

WEST NORTHAMPTONSHIRE COUNCIL AUDIT & GOVERNANCE COMMITTEE

27 MARCH 2024

Report Title Internal Audit Plan 2024-25

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Contributors/Checkers/Approvers

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List of Appendices

Appendix A – Internal Audit Plan 2024-25

Appendix B – Summary Audit Universe

1. Purpose of Report

1.1. To allow the Committee to consider and approve the proposed Internal Audit Plan for 2024-25.

2. Executive Summary

2.1 The Internal Audit service provides assurance that organisational controls are effective and adequately mitigating risk and is one of the significant sources of assurance to senior management and the Audit & Governance Committee on the effectiveness of the Council's internal control arrangements.

3. Recommendation

- 3.1 It is recommended that the Audit & Governance Committee consider and approve the Internal Audit Plan for 2024-25 (Appendix A) and endorse the proposal to source additional external specialist computer audit expertise as set out in this report.

4. Reason for Recommendation

- 4.1 To ensure compliance with the practice and principles for audit committees set out in the CIPFA Position Statement for Audit Committees, which include responsibilities for overseeing and supporting the internal audit function and approving a risk-based audit plan.

5. Report Background

- 5.1 The proposed Internal Audit Plan for 2024-25 (Appendix A) has been developed by applying a risk-based approach and following the relevant principles set out in the Public Sector Internal Audit Standards (PSIAS).
- 5.2 As part of that process, an 'audit universe' has been developed, which seeks to identify the significant areas of the Council's operations which could be subject to internal audit review. A summary of the audit universe is attached as Appendix B, with those areas included in the proposed Internal Audit Plan for 2024-25 highlighted.

6. Issues and Choices

- 6.1 The areas included in the proposed Internal Audit Plan for 2024-25 have been derived from the audit universe following a risk-based approach, which included:
- An assessment of gross financial impact (ie. budgeted expenditure and income)
 - Inherent risk (ie. complexity, public interest, potential reputations damage etc)
 - Cumulative audit knowledge (ie. whether or not the area has been subject to previous internal audit review, and if so what the assurance ratings were)
 - Other inspection or assurance work relevant to the area
 - Consultation with senior management.
- 6.2 Areas within the audit universe which are not included in the proposed Plan for 2024-25 will be re-assessed again during future audit planning processes, with the intention of ensuring that all auditable areas are reviewed periodically within a frequency dependent upon their assessed risk ratings.
- 6.3 The planned work for quarters 3 and 4 is shown as indicative because it is proposed to undertake a review prior to the half-year stage to ensure that the Plan remains relevant in light of any emerging risks or issues that may arise in the first 6 months of the year. If any amendments to

the Plan are required as a result of the half-year review, this would be reported to the Audit & Governance Committee.

6.4 The available productive audit days included within the Plan are calculated as follows:

DETAILS	DAYS
Total days (for 6 audit staff)	1,569
Less:	
Annual Leave	(203)
Allowance for sickness (5 days per staff member)	(30)
Public Holidays	(42)
Other (eg. medical appointments, training etc)	(34)
Team Meetings, Corporate Briefings, Admin, 1-to-1s	(130)
Team Management	(42)
Service Improvements & Professional Networking	(42)
Planning	(28)
TOTAL AVAILABLE AUDIT DAYS	1,018
Less:	
Northamptonshire Childrens Trust Audit Days	(145)
COUNCIL AVAILABLE AUDIT DAYS	873

6.3 In relation to audit assurance for the Digital, Technology and Innovation (DTI) service, computer audit is a specialist area of internal audit where a significant level of relevant expertise and experience is required in order to ensure that audit work is targeted effectively and to provide sufficient assurance that relevant threats and risks are being mitigated appropriately and effectively.

6.4 The in-house internal audit team do not have the required technical knowledge and experience to undertake this role with maximum effectiveness. Whilst they can undertake general computer related audit work, without the required technical expertise it is more difficult to ensure that computer audit assignments are directed in an effective manner to review technical processes and activities, and to ensure that the Council is identifying and responding to emerging IT related risks and threats.

6.5 It is therefore proposed to undertake a procurement process for a 3 year contract to appoint a specialist computer audit provider, either via a suitable framework contract or by open competition. This proposed approach is supported by the relevant senior managers.

6.6 It is anticipated that the first work undertaken in Year 1 would be to conduct an IT audit 'needs assessment' which would establish an indicative IT audit plan for the remainder of Year 1, and for Years 2 and 3.

6.7 The needs assessment would be subject to an annual review in Years 2 and 3 to ensure it remains relevant and takes account of any emerging IT / digital related risks or threats that the Council may face.

6.8 A number of 'reserve audits' are listed at the end of the Plan. These are reviews that could replace audits included in the Plan if circumstances change for any reason.

7. Implications (including financial implications)

7.1 Resources and Financial

7.1.1 The proposal to obtain specialist computer audit resources will require an additional budget of up to £25,000 per annum, which it is anticipated will be met from underspends within existing resources.

7.2 Legal

7.2.1 As a relevant authority under the Accounts & Audit Regulations 2015, the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

7.3 Risk

7.3.1 There are no significant risks arising from the proposed recommendations in this report.

7.4 Consultation

7.4.1 The Executive Leadership Team (ELT) and other relevant senior managers have been consulted in drafting the proposed Internal Audit Plan.

7.5 Climate Impact

7.5.1 None identified.

7.6 Community Impact

7.6.1 None identified.

7.7 Communications

7.7.1 None identified.

8. Background Papers

8.1 Public Sector Internal Audit Standards: [Public sector internal audit standards PSIAS | CIPFA](#)