



Open Report on behalf of Andrew Crookham, Executive Director - Resources

Report to:	Audit Committee
Date:	28 March 2022
Subject:	Internal Audit Plan 2022/23

Summary:

The risk based Internal Audit Plan, 2022/23 is presented to the Audit Committee for approval.

The annual plan aims to provide assurance across the high risk / priority areas of the Council. It takes into account the governance, risk, control and assurance arrangements - together with the requirements to provide a Head of Internal Audit opinion.

The plan sets out the rationale for the areas chosen and gives the Audit Committee the opportunity to discuss and endorse the areas of focus.

Recommendation(s):

That the 2022/23 Internal Audit Plan be approved - subject to any comments the Committee may have on the approach and areas of focus.

Background

We have developed our internal audit plan for 2022/23 considering the key risks and priorities of the Council. It is a statement of intent and is revised and updated regularly during the year to enable us to respond to changing assurance needs.

It details the activities for the first six months (April – September) and a call off list of audit areas for completion for the remainder of the year. The draft plan gives you an opportunity to comment on the planned audit areas and the priorities that we have established.

Having skilled and effective people remains at the heart of our workforce strategy. The team has provision for 23 full time equivalent posts – established to deliver both the County Council and external contracts internal audit plans.

Resources are low – and whilst we have recently appointed three new auditors, we have also had three resignations. We have secured additional temporary resources with external contractors and a further recruitment is planned. The impact on the teams' availability to deliver cannot be underestimated - given the mix of the remaining team there will be continuing mentoring, coaching

and supervision demands alongside the delivery of audits to ensure sustainability of the service going forward. Our resource planning includes time for training & development, supervision, together with some contingency to enable us to respond to changing assurance needs.

Our workforce strategy of 'growing our own' auditors aims to build capacity and capability in the team in the long term. We are also working with the Finance Team to make the best use of graduate, work experience placements, continuing professional development. All seeking to attract and retain a skilled workforce – showcasing our profession and that working in local government is a good career path and employer of choice.

I am satisfied that the level and mix of resources (in-house and external) - together with the areas covered in the plan - will enable the Head of Internal Audit to be provided in 2023.

The plan includes information on our:

- Internal audit strategy – how we choose what to audit and deliver the Head of Internal Audit opinion.
- Working protocols to support an effective and efficient audit process
- Our quality assurance framework – designed to ensure that we confirm to best practice and professional standards – continuing to add value and insight to the Council.

Appendix A – sets out the Internal Audit Annual Plan for 2022/23.

Assurance Lincolnshire Partnership

Whilst we have continued to experience recruitment and retention challenges, we are seen as a market leader locally and have been asked to support other Councils locally.

Through the Assurance Lincolnshire (an internal audit partnership where County Council and City of Lincoln audit teams work together) we have a number of external clients including:

- North Kesteven District Council
- West Lindsey District Council
- East Lindsey District Council
- South Holland District Council
- Boston Borough Council
- South Kesteven District Council
- Newark and Sherwood District Council
- Lincolnshire Schools & Academies

Internal Audit Charter

The Charter formally defines Internal Audit's purpose, authority and responsibility. It establishes Internal Audit's position within the Council and defines the scope of Internal Audit activities.

Appendix B - sets out our Internal Audit Charter.

Conclusion

The Corporate Leadership Team (CLT) is accountable for the Council's governance, risk and control environment – how well the council is run and oversight of the control culture operated.

The Audit Committee confirms that these arrangements are effective – ensuring improvement actions are implemented and providing an account to the Council each year on their governance, risk and control oversight.

Internal Audit play a key role in the assurance framework – providing CLT and the Audit Committee with independent insight on the effectiveness of the control environment and how well the assurance arrangement work in practice. The delivery of a risk-based audit Internal Audit Plan is essential to ensuring the probity and soundness of these systems.

Consultation

a) Risks and Impact Analysis

N/A

Appendices

These are listed below and attached at the back of the report	
Appendix A	Internal Audit Plan 2022/23
Appendix B	Internal Audit Charter 2022-25

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Lucy Pledge, who can be contacted on 01522 553692 or lucy.pledge@lincolnshire.gov.uk.

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