

Report for: Audit Committee – 7 March 2024

Item number: 12

Title: Annual Internal Audit Plan, Strategy and Charter 2024/25

Report authorised by : Director of Finance

Lead Officer: Minesh Jani, Head of Audit and Risk Management

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non-key decision

1. Describe the issue under consideration

1.1 The Audit Committee is responsible for reviewing and approving the annual internal audit plan as part of its Terms of Reference.

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

3.1 That the Audit Committee reviews and approves the updated Annual Internal Audit Strategy and Plan for 2024/25 (Appendix A), the Internal Audit Charter (Appendix B) and notes the Internal Audit Protocol (Appendix C) and the Assurance Risk Map (Appendix D).

4. Reasons for decision

4.1 Local authorities are required by law to maintain an internal audit function. In addition, The Accounts and Audit Regulations 2015 reinforce the statutory requirement and re-state the need for the Council to maintain an adequate and effective system of internal audit.

4.2 The annual internal audit plan is a key element in delivering the Council's statutory requirements. The Audit Committee is responsible for ensuring that this is in place and approving the Council's Annual Internal Audit Plan.

5. Alternative options considered

5.1 Not applicable.

6. Background information

6.1 The methodology for developing the Internal Audit Plan focuses upon the quantification of the risks associated with achieving corporate and directorate objectives. At Haringey, the Internal Audit service is delivered by Mazars, who undertake the majority of the internal audit work in accordance with the contract in place, including Information Technology and procurement audits. The Head and Deputy Head of Audit and Risk manage the delivery of the audit plan and complete ad-hoc enquiries themselves.

- 6.2 The in-house corporate anti-fraud team is responsible for investigations into allegations of financial irregularity, pro-active and reactive corporate anti-fraud work, provision of advice on risk and controls and some grant certification work.
- 6.3 Appendix A contains the proposed annual audit plan for 2024/25, which is risk based and has been derived following consideration of: the Corporate Delivery Plan and related Priorities; organisational changes; risk registers; corporate programmes and projects; changes to legislation and fraud investigation work completed in 2023/24.
- 6.4 Appendix A also includes the audit strategy, and Appendix B the Charter which was used to deliver the Council's internal audit plan. The strategy and charter comply with the statutory 2017 UK Public Sector Internal Audit Standards (PSIAS), which provide a consistent framework for internal audit services across the UK public sector.
- 6.5 Appendix C is a schematic presentation of the audit process and will be used to ensure the auditees are clear about the audit process and for the timely delivery of internal audit work. This is provided to the Audit Committee for information.
- 6.6 In order to assess the areas of audit assurance, the Council's corporate risks are mapped against the areas of audit work at Appendix D. The purpose of this exercise is to present pictorially, a map of the risks where internal audit work provides assurance. The Audit Committee will note that the planned internal audit work provides assurance against the majority of risk areas.

7. Contribution to strategic outcomes

- 7.1 Internal audit is an important element of the Council's assurance processes. The internal audit and counter-fraud teams make a significant contribution to ensuring the adequacy and effectiveness of internal control throughout the Council, which covers all Priority areas. The annual audit plan is a key element in ensuring the Council complies with its statutory responsibilities.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1 Finance and Procurement

There are no direct financial implications arising from this report. The work which will be completed by Mazars to undertake the annual audit plan in 2024/25 is part of the contract, which was re-let following Cabinet approval in January 2018 in accordance with EU regulations and subsequently extended. The costs of this contract are contained and managed within the Audit and Risk Management revenue budgets, which are monitored on a monthly basis.

The presentation of the attached draft annual internal audit plan for approval by this Committee meets the Council's statutory requirement under the 2015 Accounts and Audit Regulations.

8.2 Legal

The Assistant Director for Legal & Governance has been consulted in the preparation of this report, and in noting that the audit strategy and the charter follow best practice and industry standards, and that the audit plan takes account of changes to legislation, confirms that there are no direct implications arising out of the report.

8.3 Equality

The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

As contracted providers of Haringey Council, the internal audit contractor is required to demonstrate a strong commitment to equality and fairness in their actions and work practices, and adherence to the Equality Act 2010. Ensuring that the Council has effective internal audit and assurance arrangements in place will also assist the Council to use its available resources more effectively.

9. Use of Appendices

Appendix A – Annual Internal Audit Plan and Strategy 2024/25;
Appendix B – Internal Audit Charter;
Appendix C – Internal Audit Protocol; and
Appendix D – Assurance Risk Map.

10. Background Papers

None