

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY
AUDIT COMMITTEE**

DATE: 28th April 2022

REPORT TITLE: WECA – INTERNAL AUDIT PLAN (2022/23)

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Purpose of Report

1. To present the Internal Audit Plan for 2022/23 for approval.

Impact of Covid-19 pandemic

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on or are addressed through this report are as follows:

- A flexible approach will continue to be applied for the 2022/23 Internal Audit Plan to take account of any changing risks caused by COVID-19 pandemic.
- As with the 2021/22 Audit Plan, COVID-19 impacts will continue to be considered at the planning stage for each individual review during the year.

Recommendation

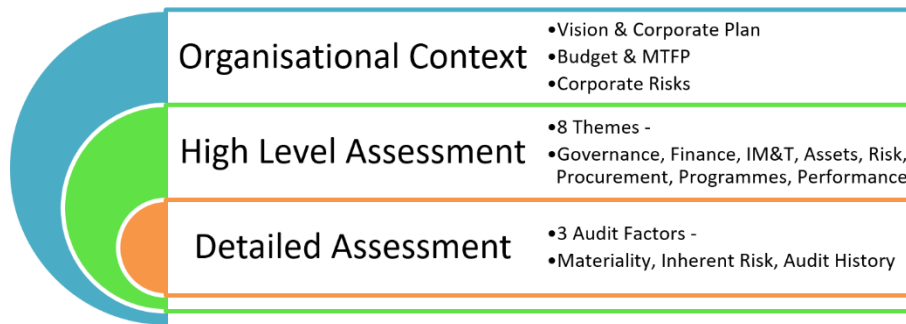
- To note the report and approve the Internal Audit Plan attached at Appendix 1.

Background / Issues for Consideration

2 Internal Audit Annual Plan 2021/22 (Appendix 1)

- 2.1 The Public Sector Internal Audit Standards require Internal Audit to prepare a risk-based plan. This is the sixth year of WECA's operation and most of the key foundations of good governance are now in place and have been reviewed as part of our planned activities.

2.3 The Plan has been subject to consultation with the Director of Investment and Corporate Services (S73 Officer) and WECA’s Senior Management. The Internal Audit service (Audit West) use the reasonable assurance model to compile the plan, of which the essential elements are as follows –



2.4 As presented to the last Audit Committee in detail in previous meetings we have used the Reasonable Assurance Model as one of our core assurance processes as well as informing the plan for this year. Notwithstanding the assessment, specific circumstances (such as a significant reputational issue or request of S73 Officer or Senior Management Team) may on occasion mean that a new audit area may be included in the Plan.

2.5 Resources available to deliver the Plan will also inform the quantum of the Plan which amounts to approximately 100 days in total and the areas indicated in the plan relate to these numbers of days.

2.6 The Committee will receive an update on the work undertaken later in the year.

2.7 Internal Audit Charter & Professional Standards

2.8 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 wef 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.

2.9 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 review the Internal Audit Charter and present it to the Audit Committee for approval. Attached at Appendix 2 is the latest version.

2.10 As part of best practice we always review the Charter annually to the Audit Committee

(which you approved last year) so that they are aware of how Internal Audit delivers its services and derives its authority and to re-confirm our independence.

2.11 Each year we will assess ourselves against the required standards and ensure a quality assurance and improvement programme (QA&IP) is in place requiring both internal and external assessment with an external assessment being required once every 5 years.

2.12 Audit West was externally assessed in 2018 and are pleased to confirm we have received the highest rating – general confirming to standards – and will ensure we keep the Committee appraised on an annual basis of our ongoing compliance.

Consultation

3 Draft Plan was consulted with Senior Management team and Director of Investment & Corporate Services.

Other Options Considered

4 Not applicable.

Risk Management/Assessment

5 The Internal Audit Plan is drawn up on a risk basis, using the Reasonable Assurance Model.

Public Sector Equality Duties

6 Embedded within the audit process is consideration of compliance with statutory guidance and regulations which includes those relating to equality and diversity.

Finance Implications, including economic impact assessment where appropriate:

7 No direct implications – Cost of service within existing budgets.

Legal Implications:

8 No direct implications.

Climate Change Implications

9 Climate Change has been considered as a key point during the Reasonable Assurance Model. The deferred audit of the Climate Change Action Plan is included in the 2022-23 Annual Internal Audit Plan.

Land/property Implications

10 No direct implications.

Human Resources Implications:

11 No direct implications.

Appendices:

Appendix 1 – Internal Audit Plan 2022/23.

Appendix 2 – Internal Audit Charter

Background papers:

None.

West of England Combined Authority Contact:

Any person seeking background information relating to this item should seek the assistance of the contact officer via email: democratic.services@westofengland-ca.gov.uk