

REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY AUDIT COMMITTEE

DATE: 4 MARCH 2024

REPORT TITLE: INTERNAL AUDIT PLAN 2024-25

RESPONSIBLE OFFICER: HEAD OF AUDIT & ASSURANCE

Key Decision

No

Purpose of Report

1. This report updates the Audit Committee on the methodology used to create the Internal Audit Plan and asks for Member input on activities, areas or themes they would like to be considered within the Internal Audit plan for 2024/25.
2. A draft plan has already been created based on consultation with Senior Management and current assessments and is attached at Appendix 1.
3. The Audit Committee is asked to note that the Internal Audit Plan will be flexible in order to respond to changes in risks and issues experienced through the year. The plan will therefore be kept under review and adjusted as necessary as the year progresses.

Recommendation

1. The Audit Committee is asked to comment on any areas or themes that they would like to be considered for the internal Audit Plan 2024/25.
2. The Audit Committee is asked that, subject to the comments above, it approves the 2024/25 plan attached at Appendix 1.

Reasons for recommendation

All public sector bodies must have effective governance and accountability frameworks. The Audit Committee is asked to approve the programme of work to ensure that systems and controls are appropriate and operating effectively.

Voting arrangements

Majority decision.

Publication Requirements

Report to be discussed in a public session.

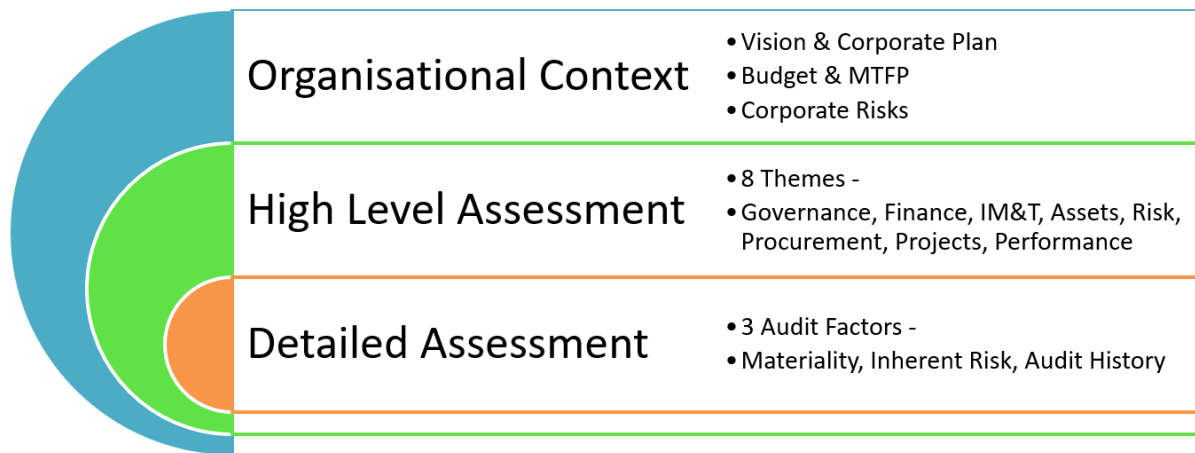
Background

1. The Public Sector Internal Audit Standards require Internal Audit to prepare a risk-based plan. The work of the Internal Audit Service is to provide independent assurance to the Combined Authority's senior officers and members that governance, risk management and controls are sufficient in ensuring delivery of the Combined Authority's objectives.
2. The Plan has been subject to consultation with the Strategic Director of Resources (S73 Officer) and MCA's Senior Management. The Internal Audit service use the Reasonable Assurance Model to compile the plan, of which the essential elements are as follow.
3. Notwithstanding the assessment, specific circumstances (based on changes in risk or significant issues arising or request of the CEO, S73 Officer or Senior Management Team) may on occasion mean that a new audit area is included in the Plan.

Key Considerations

4. The planning process is based on the fundamental requirement that the Audit Plan proposed will deliver sufficient work to enable the Chief Internal Auditor to independently assess the internal control framework of the Combined Authority and provide a 'reasonable assurance' opinion at the end of each year. The model we use – the Reasonable Assurance Model - has previously been reported to the Committee.

5. The model is outlined in the following diagram with the key element being the high-level assessment of 8 'good governance' themes.
6. We are continuing to review the themes and the enquiries to be made in relation to these themes, for example information management and technology.



7. In addition, the Chartered Institute of Internal Auditors has published a report which highlights organisational significant risks, and these should be considered when preparing audit plans. Areas relevant to the public sector are detailed below:
 - Cybersecurity and data security
 - Human capital, diversity and talent management
 - Macroeconomic and geopolitical uncertainty
 - Climate change and environmental sustainability
 - Business continuity, crisis management and disasters response
 - Financial risk
 - Organisational governance and corporate reporting
8. Significant consultation and assessment has already taken place with Senior Management and a draft Audit Plan has been compiled at Appendix 1.
9. To finalise this process, the Audit Committee, as a key stakeholder, and with responsibility for approving the Audit Plan is asked for comments on the plan. Therefore, we wish to obtain views and feedback on any other areas which could be considered for potential inclusion in the Internal Audit Plan 2024/25.

10. Currently the Audit Plan at Appendix 1 has allocated time to the following areas -

	DIRECTORATE	AUDIT SUBJECT	REASONABLE ASSURANCE THEME
1	Infrastructure	WestLink DRT (initiation)	Programme & Project Management
2	Resources	Budgetary Control & Forecasting	Financial Management
3	Resources	Capital Programme – Change Request Governance (Advisory)	Corporate Governance/ Financial Management
4	Resources	Grant Management Assurance	Performance Management / Financial Management
5	Infrastructure	FTZ Mobility Hub	Programme & Project Management
6	Resources	Schemes of Delegation	Asset Management/ Risk Management
7	Economy & Skills	UK Shared Prosperity Fund	Programme & Project Management/ Financial Management
8	Environment	Portfolio Green Recovery Fund	Risk Management / Corporate Governance
9	People & Assets	Staff Training & Awareness – Mandatory Training	Asset Management
10	Resources	Procurement & Commercial Governance	Procurement and Commissioning
11	People & Assets	Starters, Leavers & Post Changes	Asset Management
12	All	Core Systems & Processes	All
13	All	Cyber Security	Information Management
14	All	Counter Fraud & Corruption	Risk Management/ Asset Management/ Financial Management
15	All	Grant Certification Work	All
16	All	Corporate Governance	All
17	All	Follow Up Audits 2023/24	All

11. It should also be noted that in addition to compiling and completing a list of 'planned audit reviews', Internal Audit will continue to:

- Provide support on request to senior management on the corporate governance framework within the Authority;
- Provide advice on request in relation to new or changed systems of internal control during the year including significant updates and revisions to key financial systems, processes, policies and procedures;
- Provide advice and support on request to Services on carrying out investigations in relation to financial irregularities. This may require, where requested, Audit staff to take on the Investigating Officer role in compliance with the disciplinary procedures.

12. Views of the Committee are therefore sought to finalise the Audit Plan.

Alternative Options Considered

13. Not applicable

Consultation and Engagement

14. To develop and deliver the Annual Audit Plan the Internal Audit Service has consulted widely with officers and members. Ongoing consultation will continue with the Audit Committee throughout the year.

Key Risks

15. The Audit Plan is drawn up on a risk-based approach, in line with Public Sector Internal Audit Standards.

Equality, Diversity and Inclusion Implications

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

Climate Change Implications

17. No direct implications.

Financial Implications

18. The number of planned audit days is 253.

Legal Implications

19. No direct implications.

Human Resources Implications

20. No direct implications.

Commercial and Procurement

21. No direct implications.

Appendices

- Appendix 1 – Internal Audit Plan 2024/25

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