

**Wednesday, 20 March 2024**

**Report of the Audit Manager**

**Internal Audit Plan and Charter 2024/25**

**Exempt Information**

None.

**Purpose**

For the Audit & Governance Committee to comment on and endorse the 2024/25 proposed internal audit plan (**Appendix 1**), audit charter (**Appendix 2**) and note the updated Global Internal Audit Standards (**Appendix 3 & Appendix 4**).

**Recommendations**

It is recommended that:

1. Committee comments on and endorses the 2024/25 proposed draft internal audit plan (**Appendix 1**) and audit charter (**Appendix 2**), and
2. Notes the updated Global Internal Audit Standards for implementation by January 2025 (**Appendix 3**) and the effects on Public Sector organisations (**Appendix 4**).

**Executive Summary**

**Internal Audit Plan and Charter 2024/25**

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes (Public Sector Internal Audit Standards).

The Audit & Governance Committee's consideration and endorsement of an effective audit plan, charter and protocol is an important element in providing assurance to the organisation that arrangements are in place to provide an independent and objective opinion on the adequacy of the internal control environment.

The proposed audit plan is detailed at **Appendix 1**. The planned approach for 2024/25 has directly linked the Council's Corporate Risks into the planned work for the forthcoming year. The plan has been agreed with the Council's Chief Executive and circulated to all members of the Council's senior management. Additionally, Assistant Directors have been consulted and informed of the process and their comments included within the Audit Plan for 2024/25.

The Audit Charter is detailed at **Appendix 2**. Any updates have been highlighted in 'yellow' within the document.

**Global Internal Audit Standards**

As part of the ongoing development within Internal Audit there has been an extensive review of the International Professional Practices Framework (IPPF), as such this has led to

introduction of the all-new Global Internal Audit Standards which are attached as **(Appendix 3)**. The standards are set to take effect January 2025 and so we are in a current transitional period.

Additional guidance has been produced by IPPF for Public Sector organisations and this has been included **(Appendix 4)**. The new standards will also potentially require changes to our External Quality Assessment processes; however, these will be incorporated into a review of the standards.

The new standards were released on 9<sup>th</sup> January 2024, and subsequent work is currently being undertaken to map the old standards from 2017 to the new standards for implementation from January 2025. I will report back to committee in fuller detail once this mapping has been completed and a full assessment has been made. Once complete the Audit Charter will require review and updating to include any new definitions and auditing requirements. Additionally, the Audit Charter and Protocol will be required to be updated for 2025/26.

### **Options Considered**

As outlined below.

### **Resource Implications**

Available resources have been considered and optimise and there is a continuous review process in place to monitor plan delivery. Currently the service has outsourced approximately 90 audit days for 2023/24 in respect of general auditor services and this will continue into 2024/25 (£42,750). Additionally, we outsource a further 20 days of IT Audit Services from E-Tec Business Services into 2024/25 (£6,600). The planned work also includes approximately 40 days of Principal Auditor services from Lichfield District Council for 2024/25 (£10,240).

The Audit Manager also recharges £32,636 which is received from Lichfield District Council for provision of management services during the financial year.

Regular quarterly updates are provided to Audit & Governance Committee

### **Legal/Risk Implications Background**

The audit planning process ensures that audit resources are directed to areas of most significant/highest risk.

### **Equalities Implications**

None.

### **Environment and Sustainability Implications (including climate change)**

None.

### **Background Information**

None.

**Report Author**

Andrew Wood – Audit Manager

[Andrew-woo@tamworth.gov.uk](mailto:Andrew-woo@tamworth.gov.uk)

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**List of Background Papers****Appendices**

Appendix 1 – Audit Plan 2024/25

Appendix 2 – Audit Charter 2024/25

Appendix 3 – Global Internal Audit Standards

Appendix 4 – Public Sector Implications for new Global Standards

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