

Report to: **Audit and Governance Committee**
Date: **19 March 2024**
Title: **Proposed Internal Audit Plan for 2024-25**
Portfolio Area: **Performance & Resources - Cllr C Edmonds**
Wards Affected: **All**
Urgent Decision: **N** Approval and clearance obtained: **Y**

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Recommendations:

It is recommended that:

The proposed Internal Audit Plan for 2024-25 be approved.

1. Executive summary

The purpose of this report is to provide Members with the opportunity to review and comment upon the proposed internal audit plan for 2024/25.

The 2024/25 audit plan sets out the proposed audit resource allocated to each audit area, although the plan needs to remain flexible to be able to respond to any changing risks and priorities of the Authority.

2. Background

All principal Local Authorities, including West Devon Borough Council, are subject to the Accounts and Audit (England) Regulations 2015, which state:

“A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.

The Public Sector Internal Audit Standards require that the Head of Internal Audit must “establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals”. When completing these plans, the Head of Internal Audit should take account of the organisation’s risk management framework. The plan should be adjusted and reviewed, as necessary, in response to changes in the

organisation’s business, risk, operations, programs, systems and controls. The plan must take account of the requirement to produce an internal audit opinion and assurance framework.

This audit plan has been drawn up, therefore, to enable an opinion to be provided at the end of the 2024/25 year in accordance with the above requirements.

Whilst West Devon Borough Council and South Hams District Council operate as two unique councils, services are delivered by one integrated organisation. To reflect that shared services working arrangement, the 2024/25 audit plan is presented as a combined plan. Where there are risks or issues that relate specifically to one council and not the other, the audit plan will be varied to include those areas of work as appropriate.

3. Outcomes/outputs

We have created a four-year plan to ensure all core council areas are periodically audited which we have discussed with management. More significant or important areas are audited more frequently in the period. The focus of the paper in this meeting is on the plan for 2024/25. Member input to the plan is useful to ensure that the audit plan will cover the areas of most concern. That said, the plan is reviewed and amended in year as required to reflect emerging issues.

4. Options available and consideration of risk

No alternative operation has been considered as the failure to develop a risk-based plan to determine the priorities of internal audit activity which is consistent with the priorities of the organisation would be contravene the Public Sector Internal Audit Standards and the Accounts and Audit Regulations 2015.

5. Proposed Way Forward

On agreement to the plan, we will undertake our audits while agreeing audit timing to ensure our work is delivered at the most appropriate time for the council.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The Accounts and Audit Regulations 2015 issued by the Secretary of State require every local authority to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards.</p> <p>The work of the internal audit service assists the Council in maintaining high standards of public accountability and probity in the use of public funds. The service has a role in promoting robust service planning, performance monitoring and review throughout the organisation,</p>

		together with ensuring compliance with the Council's statutory obligations.
Financial	Y	There are no additional or new financial implications arising from this report. The cost of the internal audit team is in line with budget expectations.
Risk	Y	The work of the internal audit service is an intrinsic element of the Council's overall corporate governance, risk management and internal control framework.
Supporting Corporate Strategy	Y	This plan and the work of Internal; Audit supports all the Council's corporate strategy themes.
Climate Change – Carbon / Biodiversity Impact	Y	None directly arising from this report. The Internal Audit function, managed by Devon Audit Partnership is mindful of the need to minimise travel in completing the internal audit plan. Where possible, desk-top review of documents, and the use of electronic records, is used to support the audit process, although it is inevitable that on-site verification may be required at times. The team use an audit management system (Ideagen) which supports remote management review, thus also saving on the need for travel.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	There are no specific equality and diversity issues arising from this report.
Safeguarding	N	There are no specific safeguarding issues arising from this report.
Community Safety, Crime and Disorder	N	There are no specific community safety, crime and disorder issues arising from this report.
Health, Safety and Wellbeing	N	There are no specific health, safety and wellbeing issues arising from this report.
Other implications	N	There are no other specific implications arising from this report.

Supporting Information

Appendices:

Appendix – Draft Internal Audit Plan for 2024/25

Background Papers:

None

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	N/A

Internal Audit Plan 2024-25

West Devon Borough Council

Audit and Governance Committee

19 March 2024

Tony Rose
Head of Audit Partnership



Auditing for achievement

Introduction

Internal auditing is defined by the Public Sector Internal Audit Standards (PSIAS) which set out the requirements of a 'Board' and of 'senior management'. For the purposes of the internal audit activity within the Council the role of the Board within the Standards is taken by the Council's Audit and Governance Committee and senior management is the Council's Leadership Team.

This Council's Internal Audit Charter formally describes the purpose, authority, and principal responsibilities of the Council's Internal Audit Service, which is provided by the Devon Audit Partnership (DAP) as represented in the audit framework at Appendix 2, and the scope of Internal Audit work. The PSIAS refer to the role of "Chief Audit Executive". For the Council this role is fulfilled by the Head of Devon Audit Partnership.

The Audit and Governance Committee, under its Terms of Reference contained in the Council's Constitution, is required to review the Internal Audit Plan to provide assurance on the governance framework (see Appendix 3).

The Chief Audit Executive is responsible for developing a risk-based plan which considers the organisation's risk management framework, including using risk appetite levels set by management for the different activities or parts of the organisation as represented in Appendix 4.

The audit plan represents the proposed internal audit activity for the year and an outline scope of coverage. At the start of the audit the scope is agreed with management with the aim to provide Senior Management and members with assurance on the control framework to manage the risks identified. The plan will remain flexible, and any changes will be agreed formally with management and reported to the Committee.

Expectations of the Audit and Governance Committee for this annual plan

Members are requested to consider:

- the annual governance framework requirements.
- the basis of assessment of the audit work in the proposed plan.
- the resources allocated to meet the plan.
- proposed areas of internal audit coverage in 2024/25.

Following consideration, the Audit and Governance Committee are required to approve the proposed audit plan.

Tony Rose
Head of Audit Partnership

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Development of the Internal Audit Plan

This year's audit plan has been developed through discussions with Senior Management, and consideration of the Council's risk register and plan. It is also informed by previous audit findings, and our awareness of current themes in Devon and elsewhere.

Within the plan, we have provided good coverage of Council Corporate risks, and current public sector risks (see Appendix 6). Audit coverage for the year is in the region of 426 days compared to 436 for 2023/24. To help identify future resource requirements and ensure good coverage of risk areas over the medium term, we maintain an indicative four-year plan. Some audits are undertaken every year, others less important are undertaken more infrequently. Our focus for this meeting is to agree the audit days for 2024/25. The plan is a combined plan for South Hams and West Devon, but it indicates those audits relevant to South Hams or West Devon only.

We have provided coverage of all Corporate Risks and include Follow Up audits for any Limited Assurance opinion audits provided in 2023/24.

Audit Plan Summary

Audit days per Directorate 24/25



Our audit plan at Appendix 1 is grouped into the different management areas as shown in this chart, with the number of days to be provided. The specific audits for each area are detailed in the plan. We also provide detail on when it was last audited, and the assurance opinion provided.

Within the management areas, we identify the following types of audits:

Key Financial Systems audits focused on the process and systems dealing with most of the Council's income and expenditure and which have a significant impact on the reliability and accuracy of the annual accounts. These include Payroll, Creditors, Main Accounting System, Council Tax, Housing Benefit. This work will provide assurance that core controls continue to be effective despite the changing environment. We also undertake work to certify grants.

Risk based audits, particularly those relating to:

- **Strategic Risk** which has a significant impact on the council.
- **Operational Risk** which may impact on individual service areas.

We provide indicative days for each audit to show the expected time to complete the audit. However, actual time to deliver may vary depending on the findings, but also other factors such as ease of audit access. The timing of the audit will be agreed with the business area to ensure it does not impact on business operations. Most of the audits will be delivered by the two auditors directly employed by the council, who are managed by DAP. Some other audits will be undertaken using specialised DAP resource, such as for Cyber Security.

In accordance with the PSIAS, the plan is flexible, to reflect and respond to the changing risks and priorities of the Authority. As a result, it will be regularly reviewed and updated to ensure it remains valid and appropriate. As a minimum, the plan will be reviewed in six months' time to ensure it continues to reflect the key risks and priorities.

Detailed terms of reference will be drawn up and agreed with management prior to the start of each assignment – in this way we can ensure that the key risks to the operation or function are considered during our review.

Appendices 1 to 5 provide more detail on the framework underpinning the internal audit plan.

Other Essential Activity

This includes areas such as Audit Management, support to the National Fraud Initiative and Grant work. During 2023/24, auditor resource continued to support additional Covid-19 business grant work above what was included in the plan resulting in the requirement to carry over work into 2024/25. We have estimated 20 days for this work.

We also include Audit Management in this area. This is work supporting effective and efficient audit services to the Council and ensuring the internal audit function continues to meet statutory responsibilities. In some instances, this work will result in a direct output (i.e., an audit report) but in other circumstances the output may simply be advice or guidance. It includes:

- Preparing the internal audit plan and monitoring implementation.
- Preparing and presenting monitoring reports to Leadership and the Audit and Governance Committee.
- Assistance with the Annual Governance Statement.
- Liaison with other inspection bodies such as External Audit.
- Financial Regulations Exemptions, and waivers.
- Corporate Governance - Internal Audit has become increasingly involved in corporate governance and strategic issues; this involvement is anticipated to continue.

Fraud Prevention and Detection and Internal Audit Governance

Fraud is a recognised risk area for the public sector and effective counter fraud activity assists in the protection of public funds and accountability. Our Counter Fraud Service continues to support work by the council to identify its fraud risks and consider effectiveness of its controls. To support this the authority is encouraged to agree a separate plan of counter fraud work. An annual Counter Fraud Assessment is also provided by our Counter Fraud Manager.

Our Counter Fraud service also oversees investigations, instances of suspected fraud and irregularities referred to it by managers and can also carry out testing of systems considered most at risk to fraud. Our services will liaise with the Council to focus resource on identifying and

preventing fraud before it happens. This work is informed by the Fraud Strategy for Local Government “Fighting Fraud Locally”, and the publication “Protecting the English Public Purse”. Additional guidance recently introduced by CIPFA, in their ‘Code of practice on managing the risk of fraud and corruption’, and the Home Office ‘UK Anti-Corruption Plan’, are also relevant.

Partnership working with other auditors

We continue to work to develop effective partnership working arrangements between ourselves and other audit agencies where appropriate and beneficial. We participate in a range of internal audit networks, both locally and nationally, which provide for a beneficial exchange of information and practices. This often improves the effectiveness and efficiency of the audit process, through avoidance of instances of “re-inventing the wheel” in new areas of work which have been covered in other authorities. The most significant partnership working arrangement that we currently have with other auditors continues to be that with the Council’s external auditors, One West, and Audit Southwest (Internal Audit for NHS).

Appendix 1: SHWD Proposed Internal Audit Plan 2024-25

Council	Audit Area	AUDIT	Last Audited	Description / Corporate Risk	2024/25	2025/26	2026/27	2027/28
S.Hams & W.Devon	Core Financial System	Council Tax	2023/24 (tbc)		10	10	10	10
S.Hams & W.Devon	Core Financial System	Housing Benefits	2023/24 (tbc)	Undertake Q2/3 along with other Revenues reviews.	10	10	10	10
S.Hams & W.Devon	Core Financial System	Business Rates (NDR)	2023/24 (tbc)		10	10	10	10
S.Hams & W.Devon	Operational Risk	Building Maintenance & Works Commissioning	2021/22 (Limited Assurance); 2022/23 (Limited Assurance)	Final confirmation that weaknesses identified in previous reports have been addressed.	10		10	
S.Hams & W.Devon	IT Audit	ICT / Cyber Security Audit	2022/23 Cyber Security Malware & Ransomware (Reasonable Assurance); 2023/24 (Reasonable Assurance)	MEDIUM RISK: CYBER SECURITY Focus on Patch Management (15 days) and Firewalls (15 days) DAP Cyber Resource to be used for this audit.	30	30	30	30
S.Hams & W.Devon	Strategic Risk	New ICT Systems	Not applicable	System procurement / implementation. Perhaps review outcomes of the FIT Future IT Project - SMT request to do in 24/25.	8			
S.Hams & W.Devon	Strategic Risk	Comments & Complaints	2023/24 (Reasonable Assurance)	Corporate system for recognising, recording & responding to comments & complaints.			10	
S.Hams	Operational Risk	Household Waste & Recycling Collection	2023/24 (TBC)	MEDIUM RISK: DELIVERY OF WASTE AND RECYCLING SERVICE Service brought back in house Oct 22.			10	
S.Hams	Operational Risk	Commercial (Trade) Waste Collection	2017/18	Service brought back in house for SHAMS Oct 22.	10			10
West Devon	Operational Risk	Contract Management - Household Waste & Recycling	2023/24 (TBC)				10	
S.Hams	Operational Risk	Depots & Stores Control	2019/20 (Improvements Required)	Control of Vehicle, Plant, Fuel, Fuel Cards and Fuel Containers. New software to capture assets - review assets/vehicle/store controls. Deferred from 23/24.	10			10
S.Hams & W.Devon	Operational Risk	Grounds Maintenance	2019/20 (Good Standard)	Audit deferred from 23//24.	15			15
S.Hams & W.Devon	Operational Risk	Markets	2023/24 (Limited Assurance)	Follow Up of Limited Assurance - confirm controls over market income and management Includes all Markets.	10			10
S.Hams & W.Devon	Operational Risk	Car Parking	2023/24 (TBC)	Including income collection and enforcement			10	
				TOTAL DAYS	123	60	110	105

Strategy and Governance

Council	Audit Area	AUDIT	Last Audited	Description / Corporate Risk	2024/25	2025/26	2026/27	2027/28
S.Hams & W.Devon	Strategic Risk	Corporate Governance	2023/24 (tbc)	Compliance with CIPFA Corporate Governance code			15	
S.Hams & W.Devon	Strategic Risk	Culture & Ethics	16/17 (Good Assurance)	Deferred from 23/24, to be undertaken Sept 24. To be undertaken by DAP expert.	10			10
S.Hams & W.Devon	Strategic Risk	Counter Fraud arrangements	2022/23 - Annual Assurance	Annual report on Fraud arrangements, undertaken by Ken Johnston.	3	3	3	3
S.Hams & W.Devon	Procurement	Procurement	2023/24 (Reasonable Assurance)	Specific for 24/25 to confirm compliance wht the Procurement Act.	5		10	
S.Hams & W.Devon	Operational Risk	Elections / Electoral Registration	2023/24 (Substantial Assurance)	Arrangements to manage elections. Not looked at for some years and new managers in both councils.	10			5
S.Hams & W.Devon	Operational Risk	Members Allowances	2023/24 (Reasonable Assurance)	Administration of Members expenses			6	
S.Hams & W.Devon	Strategic Risk	Corporate Strategy and Plans	2022/23 (Substantial Assurance)	Management and direction of strategic priorities	10		10	
S.Hams & W.Devon	Strategic Risk	Performance Management inc KIP's & Data Quality	2023/24 (Reasonable Assurance)	Key performance indicators and the quality of source data (data quality). PIs - meaningful, add value, reported accurately, guidance notes.		10		
S.Hams & W.Devon	Strategic Risk	Risk Management	2022/23 (Reasonable Assurance)		10		10	
S.Hams & W.Devon	Strategic Risk	Management of Partnerships	2022/23 (Reasonable Assurance)			10		
S.Hams & W.Devon	Strategic Risk	Climate Change	2022/23 (Reasonable Assurance)	Meeting the Net Zero target, Adaptation and Mitigation.	10		10	
S.Hams & W.Devon	Operational Risk	Business Continuity / Emergency Planning	2022/23 (Reasonable Assurance)	MEDIUM RISK: BUSINESS CONTINUITY	10		10	
S.Hmas & W.Devon	Strategic Risk	Safeguarding	2020/21 (Reasonable Assurance)			10		10

S.Hmas & W.Devon	Strategic Risk	Community Engagement & Consultation	NA	Effectiveness of council in engaging with the public, including on consultations. Advisory work in 24/25 to provide input to the new Community Development Framework.	5		10	
S.Hams & W.Devon	IT Audit	Social Networking, Communications & Media	2023/24 (Reasonable)	High reputational risk, and important communication tool			7	
S.Hams & W.Devon	Operational Risk	Travel and Subsistence	2023/24 (Reasonable Assurance)	Compliance with internal policies & HMRC requirements to retain receipts for VAT purposes.		10		10
S.Hams & W.Devon	Strategic Risk	Recruitment	2023/24 (Reasonable)	MEDIUM RISK: INADEQUATE STAFFING RESOURCES Includes right to work, DBS checks, checking of professional qualifications.		10		10
S.Hams & W.Devon	Operational Risk	Health and Safety	2020/21 (Reasonable Assurance)	Safety of staff and public impacted by council work		10		10
S.Hams & W.Devon	Operational Risk	Health and Wellbeing (Staff)	2022/23 (Reasonable Assurance)	MEDIUM RISK: HEALTH AND WELLBEING SERVICE	10		10	
S.Hams & W.Devon	Operational Risk	Planning - Development Management	2023/24 (TBC)	Review of the planning process (meeting timescales) and new system (planned for end 23/24 or later).				10
S.Hams & W.Devon	Operational Risk	Section 106	2022/23 (Reasonable Assurance)				10	
S.Hams & W.Devon	Operational Risk	Project Management	2023/24 (Reasonable Assurance)	Framework and specific projects.			10	
S.Hams & W.Devon	Operational Risk	Insurance Service	2023/24 (Reasonable Assurance)					7
				TOTAL DAYS	83	63	121	75

Finance

Council	Audit Area	AUDIT	Last Audited	Description / Corporate Risk	2024/25	2025/26	2026/27	2027/28
S.Hams & W.Devon	Key Financial System	Creditors	2023/24 (Reasonable Assurance)		15	15	15	15
S.Hams & W.Devon	Key Financial System	Debtors	2023/24 (Reasonable Assurance)		15	15	15	15
S.Hams & W.Devon	Key Financial System	Main Accounting System (inc budgetary control)	2023/24 (Substantial Assurance)	MEDIUM RISK: ADHERENCE TO MEDIUM TERM FINANCIAL STRATEGY	15	15	15	15
S.Hams & W.Devon	Key Financial System	VAT	2022/23 (Reasonable Assurance)	Requested review by a VAT specialist similar to HMRC inspection.	10			
S.Hams & W.Devon	Key Financial System	UK Shared Prosperity Fund	2023/24 (Reasonable Assurance)	Review & sign off of grants paid out from the Shared Prosperity Fund	10	10		
West Devon	Key Financial System	Okehampton Railway Station Levelling Up Fund	2023/24 (Substantial Assurance)	Arrangements of DCC & WD to deliver the work commissioned via the Grant etc.	10	10		
S.Hams & W.Devon	Key Financial System	Treasury Management	2023/24 (Substantial Assurance)		5	5	5	5
S.Hams & W.Devon	Grant Certification	Net Gain Biodiversity Grant	Not applicable	Certification of grant scheme in March 2025	3			
S.Hams & W.Devon	Grant Certification	Homes Energy Grant Phase 2	Not applicable		5			
S.Hams	Key Financial System	Electric Seaway grant sign off	Not applicable	Review and sign off of £90k grant on Electric Seaway. To support return for Mar 25.	5	5		
				TOTAL DAYS	93	75	50	50

Place and Enterprise

Council	Audit Area	AUDIT	Last Audited	Description / Corporate Risk	2024/25	2025/26	2026/27	2027/28
S.Hams & W.Devon	Operational Risk	Environmental Services (Health & Safety)	Not Known	Fly tipping, Abandoned vehicles, Air quality		8		8
S.Hams & W.Devon	Operational Risk	Food Safety	2023/24 (Reasonable Assurance)	Follow up of 23/24 audit to confirm food checks being undertaken	10			10
S.Hams & W.Devon	Operational Risk	Commercial Properties and Rent	2023/24 (Reasonable Assurance)			10		10
S.Hams & W.Devon	Operational Risk	Asset Management / Strategy	2022/23	Strategy for investing in new properties and the disposal/utilisation of existing properties.		10		
S.Hams & W.Devon	Operational Risk	Housing	2023/24 (Reasonable Assurance)	Includes: Housing Strategy & RSL's & Housing Standards			10	
S.Hams & W.Devon	Operational Risk	Homelessness	2023/24 (Reasonable Assurance)	MEDIUM RISK: HOMELESSNESS		10		10
S.Hams & W.Devon	Operational Risk	SeaMoor Lotto	NA	Management of the lottery	5			5
S.Hams Only	Operational Risk	Dartmouth Lower Ferry	2022/23 - Consultancy on finance system	Operation of the Ferry	10		10	
S.Hams Only	Operational Risk	Salcombe Harbour	2023/24 (Reasonable Assurance)	Management of Harbour operations		10		10
S.Hams Only	Operational Risk	Freeport	NA	Management of the Freeport project - including review of the Company. In conjunction with wider DAP support for several councils.	10			
				TOTAL DAYS	35	48	20	38

Audit Management

Task	2024/25	2025/26	2026/27	2027/28
Completion of Previous Year Plan	20	20	20	20
Audit Management (Audit Plan, Monitoring, Reporting, Audit Committee)	32	32	32	32
Annual Internal Audit Report	2	2	2	2
Exemptions from Financial Regulations	3	3	3	3
National Fraud Initiative	5	5	5	5
Contingency, Advice & Emerging Risks	30	30	30	30
TOTAL DAYS	92	92	92	92
2023/24 days = 436	426	338	393	360

Note - while the days in 2025/26 are currently less than for 2024/25, we expect the number to be about 430 days. Additional days will be added for follow up (such as Limited Assurance Opinions) Grant work, and other work to review new issues and concerns.

Appendix 2 - Audit Framework

Internal Audit is a statutory service in the context of The Accounts and Audit (England) Regulations 2015 amended 2021, which state:
 “A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards (PSIAS) or guidance”.
 DAP, through external assessment, demonstrates that it meets the Public Sector Internal Audit Standards (PSIAS).

The Standards require that the Chief Audit Executive must “establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals”. When completing these plans, the Chief Audit Executive should take account of the organisation’s risk management framework. The plan should be adjusted and reviewed, as necessary, in response to changes in the organisation’s business, risk, operations, programs, systems and controls. The plan must take account of the requirement to produce an internal audit opinion and assurance framework.

This audit plan has been drawn up, therefore, to enable an opinion to be provided at the end of the year in accordance with the above requirements.



We will seek opportunity for shared working across member authorities. In shared working Devon Audit Partnership will maximise the effectiveness of operations, sharing learning & best practice, helping each authority develop further to ensure that risk remains suitably managed.

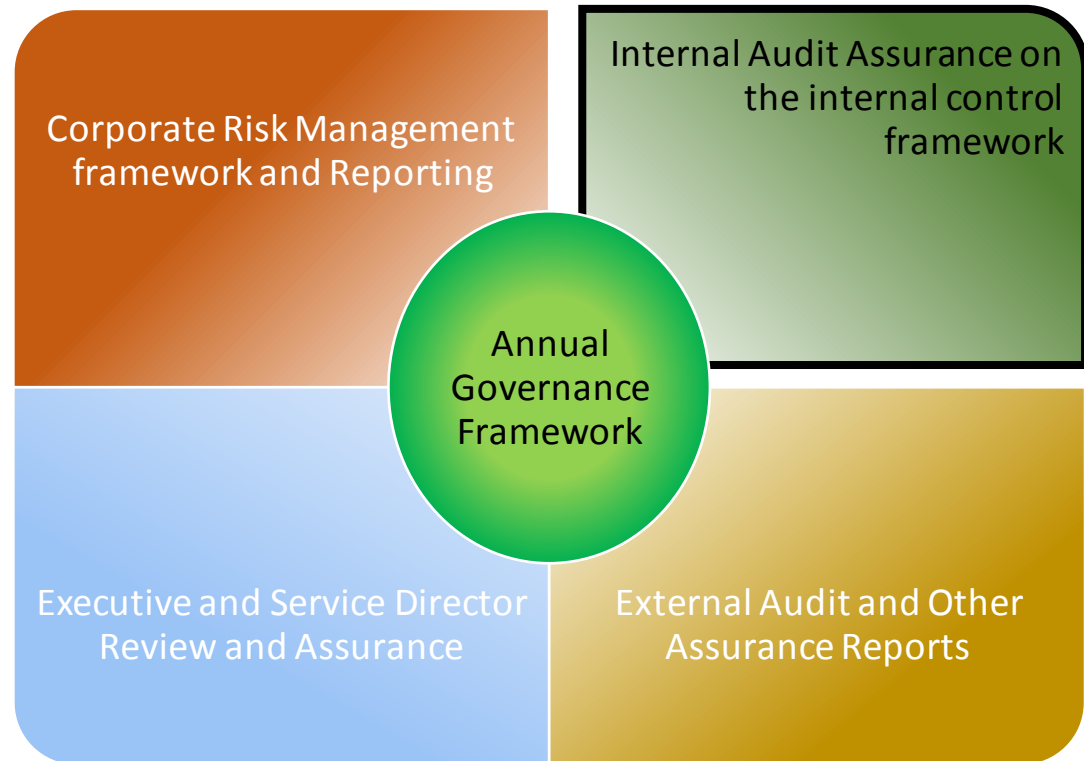
Appendix 3 - Annual Governance Framework Assurance

The Annual Governance Statement provides assurance that:

- The Authority's policies have been complied with in practice.
- high quality services are delivered efficiently and effectively.
- ethical standards are met.
- laws and regulations are complied with.
- processes are adhered to.
- performance statements are accurate.

The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should:

- be prepared by senior management and signed by the Chief Executive.
- highlight significant events or developments in year.
- acknowledge the responsibility on management to ensure good governance.
- indicate the level of assurance systems and processes can provide.
- provide a narrative on the process followed to ensure that governance arrangements remain effective. This will include comment upon.
 - The Authority.
 - Audit and Governance Committee.
 - Risk Management.
 - Internal Audit
 - Other reviews / assurance
- provide confirmation that the Authority complies with CIPFA's recently revised International Framework – Good Governance in the Public Sector. If not, a statement is required stating how other arrangements provide the same level of assurance.



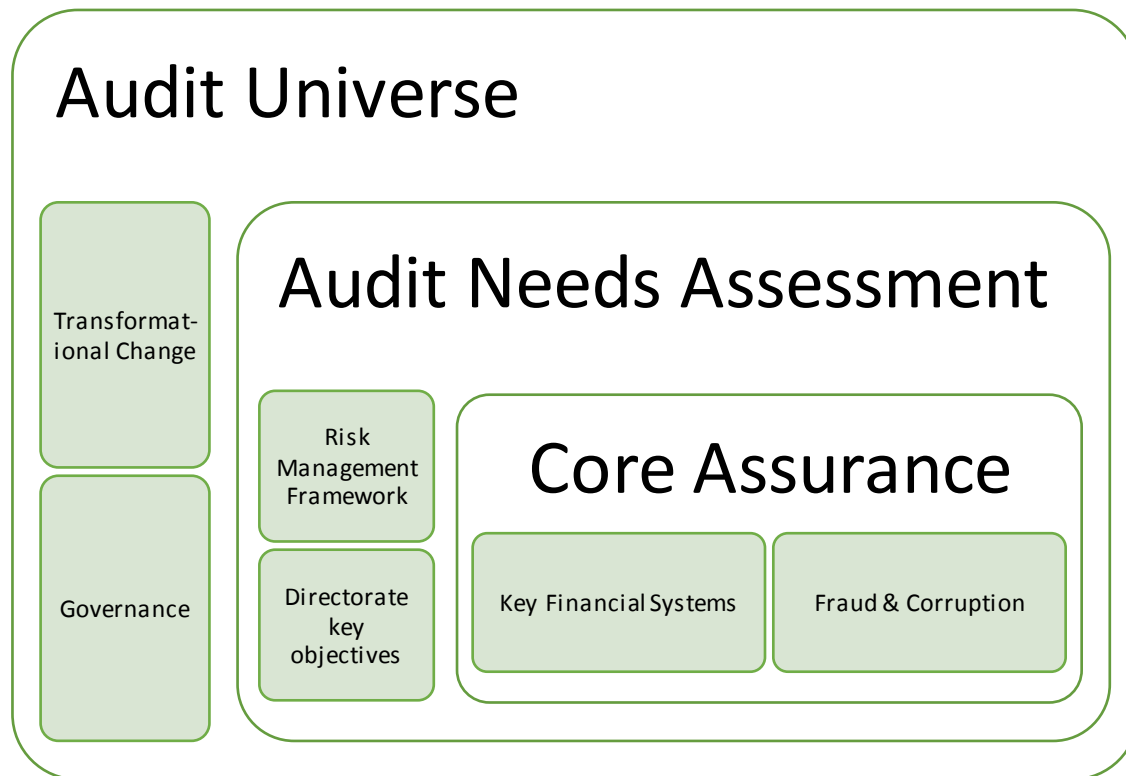
The AGS needs to be presented to, and approved by, the Audit and Governance Committee, and then signed by the Chair.

The Committee should satisfy themselves, from the assurances provided by the Annual Governance process, SLT, Internal Audit, and other assurance providers (e.g., Audit Southwest) that the statement meets statutory requirements.

Appendix 4 - Audit Needs Assessment

Our process to create the audit plan includes discussions with management, review of risk registers, consideration of previous work. We also consider the Audit Universe we maintain for the council. Ultimately, our requirement is to undertake a broad-based audit plan of work that supports provision of an end of year assurance report to support the council's own governance statement.

The result is the Internal Audit Plan set out earlier in this report.



The audit plan for the year plan has been created by:

Consideration of risks identified in the Authority's strategic and operational risk registers

Review and update of the audit universe

Discussions and liaison with Directors and Senior Officers regarding the risks which threaten the achievement of corporate or service objectives, including changes and / or the introduction of new systems, operations, programs, and corporate initiatives

Taking into account results of previous internal audit reviews

Taking into account Internal Audit's knowledge and experience of the risks facing the Authority, including factors and systems that are key to successful achievement of the Council's delivery plans

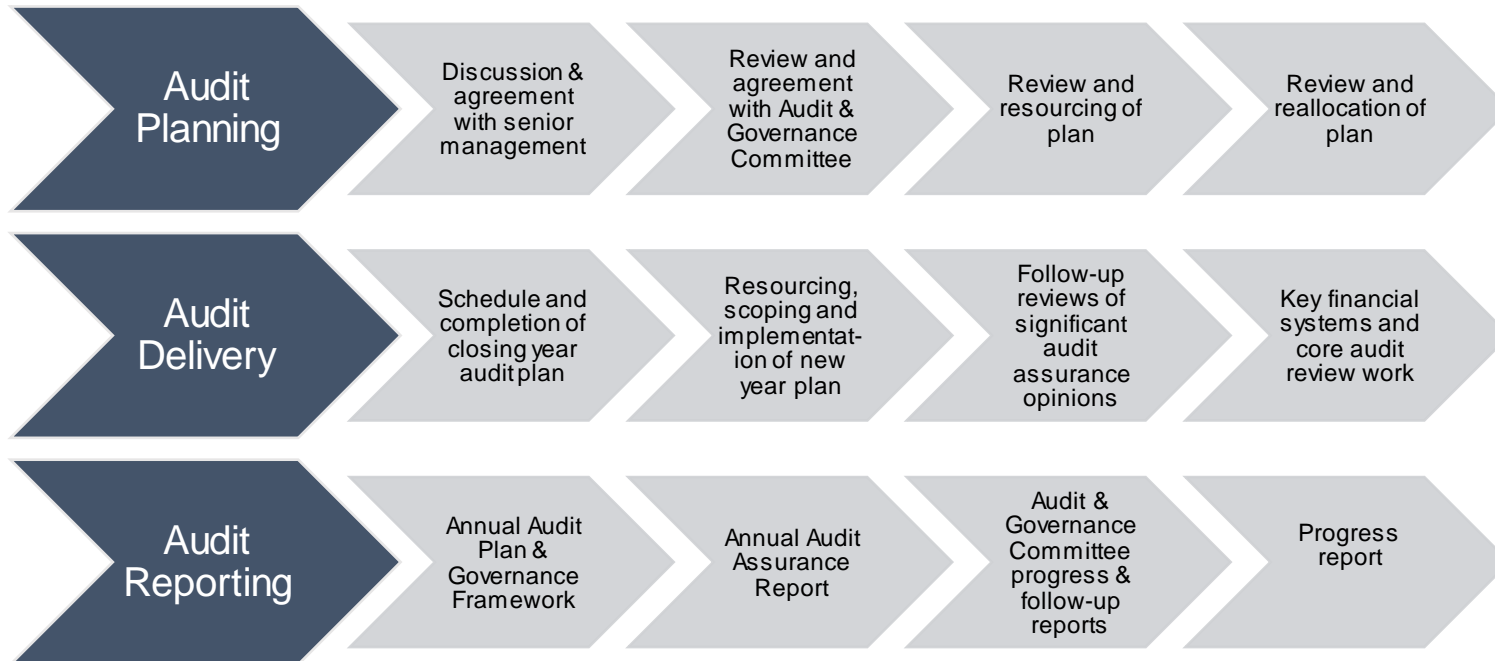
Requirements to provide a "collaborative audit" approach with the external auditors

Appendix 5 - Our Audit Team and the Audit Delivery Cycle

December March June September December

Date	Activity
Dec / Feb	Meetings with management to discuss the plan
Mar	Internal Audit Plan presented to Audit and Governance Committee
Mar	Internal Audit and Governance Arrangements reviewed by Governance Committee
Mar/Apr	Year-end field work completed
April	Annual Performance reports written
May / June	Annual Internal Audit Report presented to Audit Governance Committee
Apr to Mar	Progress Reports presented to each Audit and Governance Committee
Dec	Internal Audit Plan preparation commences

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Appendix 6 Sector Risk Model (European organisations polled by the Institute Internal Auditors – Risk in Focus 2024)

Key Risk areas of organisations that responded:

Cyber security remains the number one concern for almost everyone.

Human Capital – staffing has become more important given shortages in professional and other manpower.

Changes in laws and regulations are also important although a slight reduction since last year.

Macroeconomic and geographical uncertainty has slightly reduced in importance.

Climate change has reduced as a key risk area.

What are the top five risks your organisation currently faces?

Business continuity and operational resilience moved up two places this year in response to continuing global turmoil with market changes coming in as a new category.

