

## GOVERNANCE & AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 22 <sup>nd</sup> March 2023
<b>Report Subject</b>	Internal Audit Strategic Plan
<b>Report Author</b>	Internal Audit, Performance and Risk Manager
<b>Type of Report</b>	Assurance

### EXECUTIVE SUMMARY

All principle local authorities subject to the Accounts and Audit (Wales) Regulations must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control. It must make provision for internal audit in accordance with the Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note issued alongside it.

In line with the Standards, internal audit must produce a risk based plan taking into account the need to produce an annual audit opinion and linked to the organisation's objectives and priorities.

The three year Flintshire Internal Audit Strategic Plan is attached, Appendix A. The first year of the plan is completed in greater detail highlighting high priority audits and annual reviews to be completed during the financial year 2023/24. Medium priority audits will be scheduled to audit subsequently, unless higher priority work is identified through the quarterly monitoring of the plan or where resources prevent this.

### RECOMMENDATIONS

1	<p>The Committee is requested to consider the Flintshire Internal Audit Strategic Plan and to make comments on its content. In doing so the committee is asked to consider:</p> <ul style="list-style-type: none"> <li>• Does the three year plan for Internal Audit as set out in Appendix A reflect the areas that the Committee believe should be covered?</li> <li>• Does the first year of the plan reflect the areas that should be prioritised?</li> <li>• Is the level of audit resources accepted by the Committee and agreed as appropriate, given the level of assurance required?</li> </ul>
2	<p>The Committee is required to approve the Flintshire Internal Audit Strategic Plan for 2023-2026.</p>

## **REPORT DETAILS**

<b>1.00</b>	<b>EXPLAINING THE INTERNAL AUDIT STRATEGIC PLAN</b>
1.01	Each year Flintshire Internal Audit prepares a three year audit plan, with the first year completed in more detail. This plan is designed to meet the professional standards required of us in order to review and evaluate the risk management, control, and governance arrangements within the Authority.
1.02	The Flintshire Internal Audit plan, which is attached, takes into account the Council's objectives and risks, complaints, materiality of spend, reputational risk, and discussions with management.
1.03	The final plan was produced after consultation with the Portfolio management teams, the Chief Executive and Audit Wales (AW). The plan covers various types of work including, but not limited, to risk based, system based, advice & consultancy, and value for money projects as well as our involvement in development projects.
1.04	<p>The plan for 2023/24 has been formulated for the current level of resources. The aim of the plan is to complete the 'Core' plan, this being the high priority audits and annual / biannual reviews detailed within the plan within 2023/24. Those medium priority audits will be kept under constant review during quarterly meetings with Chief Officers and their management teams, Audit Wales and bimonthly meetings with the Chief Executive. Any work required to respond to emerging issues or risks may take precedence over the medium priority reviews. Not all medium priority reviews will be completed.</p> <p>Where still relevant those audits deferred in 2022/23 have been included within the 2023-26 Internal Audit Strategic Plan.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None from this report. The resources needed for the plan use the resources available.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Consultation carried out with Portfolio management teams, Chief Officers, the Chief Executive and Audit Wales.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	Flintshire Internal Audit is part of the governance framework and provide assurance on governance, risk management and internal control. The plan needs to provide the basis for that assurance over the coming years.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A – Flintshire Internal Audit Strategic Plan – 2023/2026

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>None.</p> <p><b>Contact Officer:</b> Lisa Brownbill, Internal Audit, Performance and Risk Manager</p> <p><b>Telephone:</b> 01352 702231</p> <p><b>E-mail:</b> <a href="mailto:Lisa.brownbill@flintshire.gov.uk">Lisa.brownbill@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Audit Wales:</b> works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p> <p><b>Corporate Governance:</b> the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.</p> <p><b>Operational Plan:</b> the annual plan of work for the Internal Audit team.</p> <p><b>Risk Management:</b> the process of identifying risk, evaluating their potential consequence and managing them. The aim is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they occur. Threats are managed by process of controlling, transferring or retaining the risk. Opportunities are managed by identifying strategies to maximise the opportunity or reward for the organisation.</p>