

Audit Committee

25th September 2023



Report of: Chief Internal Auditor

Title: Internal Audit 2023/24 Q3 Priorities

Ward: N/A

Officer Presenting Report: Simba Muzarurwi – Chief Internal Auditor

Recommendation

The Audit Committee review and approve the proposed Quarter (Q) 3 priorities for 2023/24. In doing so, the Committee should consider:

- whether the priorities address the Committee's assurance needs;
- whether the Plan captures key areas that would be expected in Q3; and
- whether there are any significant gaps in the Plan for Q3.

To support consideration of Q3 priorities, high level areas for potential review later in the year are also provided. Consistent with the agreed quarterly planning approach, areas for audit review in future quarters will be agreed before the start of each quarter. This will ensure audit resource is effectively targeted and coverage remains relevant and timely to the risk environment in which the council is operating.

Summary

This report provides the Committee with the proposed assurance priorities for Q3.

The significant issues in the report are:

- The Q3 proposals have been developed following consultation with senior management
- More audit time on providing embedded assurance in the top four corporate programmes
- One of the key priorities in Q3 is to support management in the implementation of agreed management actions
- Q4 priorities will be agreed in the November meeting.
- The proposed Q3 priorities are Appendix 1 of this report

Policy

1. Audit Committee Terms of Reference.

Consultation

2. Internal

- The Corporate Leadership Board
- Executive Member
- Executive Directorate Management Teams
- Monitoring Officer
- S.151 Officer
- Other Management

3. External

- Internal Audit Strategic Partner - KPMG

Context

4. The Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end, it should seek assurance that the key areas that contribute to this framework are operating properly.
5. The Council's Internal Audit service is a key component of the assurance framework and the Committee's Terms of Reference includes a requirement to provide independent assurance to the Council in relation to internal audit activity. The Committee need to consider if the planned Internal Audit work is appropriate and sufficient to provide the Committee with the assurance it requires. Public Sector Internal Audit Standards 2013 include guidance that the Committee should review and approve the Internal Audit work plan.
6. The Q3 planning process has been informed by a number of factors such as the council's risk registers, relevant national issues, professional outlook, and our wider audit knowledge, including the results of recent audit work and consultation with senior management.
7. The proposed Q3 priorities are at Appendix 1. Areas of key audit activities include embedded assurance in key programmes, continuous auditing and monitoring, implementation of agreed management actions, grant certifications and fraud prevention.
8. The proposed Q3 priorities reflect the council's needs for assurance at all levels of the business and the need to provide embedded assurance in key programmes and projects. Internal audit activities should also support the council's compliance and performance improvement agenda. Table 1 below provides a summary reflecting the split of audit time in Q3.

Table 1: Audit Plan Q3 – Audit Days Allocation:

Area of Work	Internal Audit Days	Counter-Fraud Days
Bristol City Council Work Programme		
Governance	72	
Risk Management	25	
Financial Control	130	
Procurement	30	
HR and Asset Management	30	
Information Governance and ICT	38	
Projects and Programmes	59	
Contingency	26	13
Strategic Council Fraud		15
Fraud Prevention Programme		92
Fraud Detection Programme		227
Responsive Fraud Investigations		91
External (BCC companies and WECA)	58	
Total Allocated Days	468	438
Total Available Days	468	438

9. Appendix 2 provides an extensive list of areas that may require assurance in future quarters subject to ongoing risk assessments and agreement with the Committee.
10. In undertaking this work, Internal Audit comply with the Public Sector Internal Audit Standards.

Proposal

11. The Committee review and approve the proposed audit priorities for Quarter 3 in 2023/24. In doing so, the Committee should ensure that the proposal reflects the areas for which they will require assurance from Internal.

Other Options Considered

12. None necessary.

Risk Assessment

13. An adequate and effective internal audit service, as well as a statutory requirement, is an integral part of good governance. A sound Internal Audit planning process minimises the risk of non-compliance with statute and good practice, and at the same time maximises the value that Internal Audit adds to the Council's governance arrangements and internal control environment.

Public Sector Equality Duties

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation, and any other conduct prohibited under the Equality Act 2010.
 - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
 - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.
- 8b) No equalities assessment necessary for this report.

Legal and Resource Implications

Legal – Not applicable

Financial

(a) Revenue – Not applicable

(b) Capital – Not applicable

Land/Property - Not applicable

Human Resources - Not applicable

Appendices:

- **Appendix 1** – Internal Audit 2023/24 Q3 Priorities
- **Appendix 2** – Internal Audit 2023/24 Q4 Potential Areas of Review

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Audit Planning Files, Corporate Strategy, Corporate and Directorate Risk Registers, Public Sector Internal Audit Standards.