

Audit Committee

20th November 2023



Report of: Chief Internal Auditor

Title: Internal Audit 2023/24 Q4 Priorities

Ward: N/A

Officer Presenting Report: Simba Muzarurwi – Chief Internal Auditor

Recommendation

The Audit Committee review and approve the proposed Quarter (Q) 4 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 Q4; and
- whether there are any significant gaps in the Plan for Q4.

To support consideration of Q4 priorities, high level areas for potential review in future quarters 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 Q4.

The significant issues in the report are:

- The Q4 proposals have been developed following consultation with senior management
- Continued audit time on providing embedded assurance in the top four corporate programmes
- Prioritisation of verification of implementation of agreed management actions
- Q1 priorities will be agreed in the March 2024 meeting.
- The proposed Q4 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 – n/a

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 Q4 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 Q4 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, schools' financial control and governance, capital project management and fraud prevention.
8. The proposed Q4 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 Q4.

Table 1: Audit Plan Q4 – Audit Days Allocation:

Area of Work	Internal Audit Days	Counter-Fraud Days
Bristol City Council Work Programme		
Governance	90	
Risk Management	85	
Financial Control	85	
Procurement	15	
HR and Asset Management	10	
Information Governance and ICT	10	
Projects and Programmes	60	
Contingency	100	25
Strategic Counter Fraud		27
Fraud Prevention Programme		120
Fraud Detection Programme		100
Responsive Fraud Investigations		120
External (BCC companies and WECA)	26	
Total Allocated Days	481	392
Total Available Days	481	392

9. Resource allocations include 100 assurance days contingency which has not been directly allocated to specific audit work. This has been included to ensure the team has time to finalise 2023/24 work and also recognises the competing priorities faced by managers across the Council which has the potential to impact timely completion of audit work. The contingency will also be used for unplanned work that may arise in the quarter.
10. 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.
11. In undertaking this work, Internal Audit comply with the Public Sector Internal Audit Standards.

Proposal

12. The Committee review and approve the proposed audit priorities for Quarter 4 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

13. None necessary.

Risk Assessment

14. 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 Q4 Priorities
- **Appendix 2** – Internal Audit 2024/25 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.