

DECISION-MAKER:	GOVERNANCE COMMITTEE
SUBJECT:	ANNUAL INTERNAL AUDIT PLAN 2022-23 INTERNAL AUDIT & COUNTER FRAUD CHARTER & CODE OF ETHICS 2022-23
DATE OF DECISION:	25th April 2022
REPORT OF:	CHIEF INTERNAL AUDITOR

<u>CONTACT DETAILS</u>			
Executive Director	Title	FINANCE	
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Author:	Title	CHIEF INTERNAL AUDITOR	
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STATEMENT OF CONFIDENTIALITY
N/A
BRIEF SUMMARY
<p>On 1st April 2013 the 'Public Sector Internal Audit Standards' (PSIAS) were formally adopted in respect of Local Government across the UK. The PSIAS apply to all internal service providers, whether in-house, shared services or outsourced.</p> <p>The purpose of the PSIAS are to:</p> <ul style="list-style-type: none"> • Define the nature of internal auditing within the UK public sector • Set basic principles for carrying out internal audit in the public sector • Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations • Establish the basis for the evaluation of internal audit performance and to drive improvement planning. <p>Conformance to the standards must be reported by the Chief Internal Auditor in the annual audit report as part of the opinion on the internal control framework. The requirements of the Standard are covered in the attached Internal Audit & Counter Fraud Charter & Code of Ethics, Appendix 2.</p> <p>Further to this, on an annual basis, the Chief Internal Auditor is required to produce an Annual Plan that translates into a schedule of audit assignments. The plan defines the areas and potential scope inclusion and must provide a sufficient review of the Authority's functions in order to form an annual opinion on the effectiveness of the control framework. The plan must be proportionate to the risk exposure and appropriately aligned to the strategic objectives of the Council.</p>

The plan contains a mixture of full audits, follow ups, and grant verification work. The follow ups will be carried out to ensure that residue 'open or in progress' actions have been fully implemented within revised agreed timescales, following the original audit. Only the outstanding areas will be retested.

RECOMMENDATIONS:

	(i)	That the Governance Committee approves the provisional Annual Internal Audit Plan for 2022-23 as attached.
	(ii)	That the Governance Committee approves the Internal Audit & Counter Fraud Charter & Code of Ethics as attached.

REASONS FOR REPORT RECOMMENDATIONS

1.	In accordance with internal audit practices and protocol, the Governance Committee is required to approve, but not direct the annual audit plan for Internal Audit & Counter Fraud.
2.	In accordance with the Public Sector Internal Audit Standards the Chief Internal Auditor is required to periodically review the internal audit charter and present it to the Governance Committee for approval.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

	None
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DETAIL (Including consultation carried out)

	The provisional Internal Audit Plan for 2022-23 has been discussed with the Council's Executive Management Team, Senior Officers, the Cabinet Member for Finance and Capital Assets and the Chair of the Governance Committee.
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RESOURCE IMPLICATIONS

Capital/Revenue

	None
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Property/Other

	None
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LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

	The Accounts and Audit (England) Regulations 2015 state 'a relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards.
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Other Legal Implications:

	None
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RISK MANAGEMENT IMPLICATIONS

	Failure to maintain an effective internal audit functions would result in a failure of the organisation meeting its statutory responsibilities in relation to the Annual Governance Statement and Annual Audit Opinion.
	To ensure the safety of all staff and clients, a risk assessment will be completed prior to each item of work in relation to risks relating to COVID-19. Specifically to assess whether evidence to support audit testing or an

	<p>investigation can be obtained safely and in accordance with the required evidential levels.</p> <p>Actions to minimise risk will be completed and a determination made on whether the activities can be undertaken or if the evidence strategy can be substituted by alternative means. The risk assessment will be treated as a live document until the activity has been completed. Any activities that are deemed not safe to complete will be deferred to later in the financial year, escalated to the Executive Director of Finance or cancelled. The underlining processes for all activities will not fundamentally change.</p>
POLICY FRAMEWORK IMPLICATIONS	
	None

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Annual Internal Audit Plan 2022-23
2.	Internal Audit & Counter Fraud Charter & Code of Ethics 2022-23

Documents In Members' Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
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Data Protection Impact Assessment

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
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Other Background Documents

Other Background documents available for inspection at:

	Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.		
2.		