

**Surrey Heath Borough Council**  
**Audit and Standards Committee**  
**17 April 2023**

---

**Internal Audit Annual Plan 2023-24**

<b>Strategic Director/Head of Service</b>	Gavin Ramtohal
<b>Report Author:</b>	Alex Middleton
<b>Key Decision:</b>	No
<b>Wards Affected:</b>	N/A

---

**Summary and purpose**

To consider and approve the 2023-24 Annual Plan for Surrey Heath's Internal Audit.

The Accounts and Audit Regulations require local authorities to maintain an adequate and effective system of internal audit of accounting records and of the system of internal control, in accordance with internal audit Standards. The adoption of an internal audit annual plan helps to demonstrate how Surrey Heath Council can satisfy this requirement in accordance with the Public Sector Internal Audit Standards.

**Recommendation**

The Committee is asked to note and agree the Internal Audit Annual Plan for 2023-24

**1. Proposed Annual Plan**

- 1.1 The proposed Annual Plan for internal audit covering the 2023-24 financial year is included at Annex A. The plan highlights the audit work programme that is scheduled to be carried out for the year, as well as an estimated number of days budgeted for each audit, but also a calculation of the total number of work days required to deliver the plan.
- 1.2 The main aim of the audit work programme is to review as many Council activities as possible over a period of time, in order to obtain as wide an audit coverage as possible, given the limited resources and staffing available within the Council's audit team.
- 1.3 It would not be possible to audit every activity of the Council each year, so the Plan is risk-based, and has been prepared based on a number of known risks which have been assessed. These include:

- i. The amount of income and expenditure relating to that activity
  - ii. Staff turnover
  - iii. Inherent risk
  - iv. Risks/weaknesses identified when last audited
  - v. Frequency of audit
  - vi. Whether it is an established or new system
- 1.4 In terms of audit frequency, internal audits are scheduled to be carried out either annually as in the case of key finance audits including creditors, debtors, treasury, revenues and benefits. Or periodically as in the case of planning, licensing, and insurance. These audits tend to be undertaken once every 3 or 4 years. The frequency of audits is determined by the risk assessment.
- 1.5 It should be noted that the Council has carried out the Joint Waste audit for several years on behalf of the other waste partners. It was agreed at committee back in 2022 for the waste audit to be carried out instead by one of the other partners from 2022/23 onwards.
- 1.6 A total of approximately 520 working days are required to properly deliver the Audit Annual Plan. This figure takes into account days that are needed for annual leave, and other absences. Built into the Plan are also a number of staff training and development days including any corporate mandatory training that is required such as data protection and safeguarding as well as participation in the continued professional membership of the IIA accreditation.
- 1.7 Approximately 10-20% of the Plan is required to provide professional consultancy and advice on matters such as financial regulations, authorised signatories and delegated powers, IR35 regulation compliance, as well as risks and governance matters for the authority. The Senior Auditor also leads the audit team and represents audit at CMT meetings as well as committees.

## **2. Recommendations of External Audit**

- 2.1 The Annual Plan includes a number of audits which have been required by the Council's external auditors in the past who have placed reliance on the work undertaken by Internal Audit as part of their audit of the Council's set of accounts. We understand that the external auditors from time to time request audit reports or audit working papers to help re-perform or undertake additional testing in the areas that internal audit have reviewed such as debtors and creditors

## **3. Monitoring and Reporting**

- 3.1 Progress against the Plan is monitored and reported to CMT and Members. Material changes to the Plan should be discussed and agreed in advance with

the corresponding service head as well as the Audit Chair and the Section 151 officer.

- 3.2 Significant risks and findings identified by Internal Audit during the course of the year will be brought to the attention of the Chief Executive, the Section 151 Officer and senior management, and reported to Audit & Standards committee. Significant risks are also brought to the attention of the Council's Corporate Risk Management Group and considered for inclusion in the Corporate Risk Register, as well as the Annual Governance Statement which supports the Council's set of Accounts.

#### **4. Resource Implications**

- 4.1 There are no resource implications arising from this report.

#### **5. Section 151 Officer Comments:**

- 5.1 N/A

#### **6. Legal and Governance Issues**

- 7.1 N/A

#### **7. Monitoring Officer Comments:**

- 7.1 N/A

**Annexes:** Annex A – Annual Plan for 2023-24