

Dorset Council

Approach to Internal Audit Planning 2023/24

Internal Audit Planning 2023/24: The Approach

The work of internal audit should align strategically with the aims and objectives of the organisation; taking into account key risks, operations and changes. In order to do this Internal Audit needs to be flexible in adapting audit plans to handle rapidly changing risks, priorities and challenges.

It is the responsibility of the Senior Leadership Team, and the A&G Committee to ensure that the audit work scheduled and completed throughout the year contains sufficient and appropriate coverage of key risks.

* Across the next year the Institute of Internal Auditors (IIA) is planning a change to the current *International Professional Practices Framework (IPPF)* which will ultimately be known as *The Global Internal Audit Standards*. The Internal Audit Charter, which is reviewed annually by this committee, and guides the work of internal audit is based around the existing IPPF. SWAP is contributing to the consultation on the proposed new Global Internal Audit Standards. As such we will be reviewing the Charter as further information becomes available from the IIA and will bring a revised charter to the committee for approval later in the year. In the meantime, we will continue to operate in accordance with our existing charter.

Approach to Internal Audit Planning 2023/24

Over the past three years, since the start of the COVID pandemic, SWAP has been building on delivering a fully flexible and responsive approach to audit planning. The pandemic brought with it the need to be able to adapt, re-prioritise and shift focus and whilst traditionally internal audit functions have delivered annual audit plans, the need for flexibility in an ever-changing landscape has demanded a different approach to audit planning. Our planning ensures that we are supporting the Council by collaboratively aligning our work to the Council's aims, objectives and key risks. This helps to ensure that we are auditing the right things, at the right time; enabling us to provide insight and value when and where it is required.

A traditional annual audit plan is subject to a high degree of uncertainty and change, and as such we build our plan in conjunction with management as the year progresses. We believe this approach has worked well over the past three years and has earned the support of both senior management and the audit committee. As such we propose to continue with this planning approach in 2023/24 and to further develop our risk assessment and rolling planning process within directorates.

The resulting programme of work will be a combination of requested audit work aligned to service priorities, combined with audit work recommended by SWAP, driven by our continuous risk assessment. This risk assessment will be based on the live status of both the Council's strategic and service risk registers, as well as the Council's performance management data. Overlaid onto this assessment will be SWAP's sector-wide top 10 risk areas, and consideration of the eight strands of our 'Healthy Organisation' framework. The results of our risk assessments will be regularly shared with Senior Management in Directorates through our Audit Business Partners to obtain their view on the value of internal audit involvement in identified areas. In developing risk assessments, we will also take account of other sources of assurance, where relevant.

As the year progresses, we will update the committee through our usual quarterly update report on internal audit activity. It will be through this process and through regular access to the [rolling audit plan](#) that the Senior Leadership Team and Audit & Governance Committee members will be able to assess whether the audit work building throughout the year provides sufficient and appropriate coverage of key risks.

Delivery of an internal audit programme of work that provides sufficient and appropriate coverage of key risks, will enable us to satisfy our requirement to provide a well-informed and comprehensive year-end annual internal audit opinion. *Our audit work is governed by our Internal Audit Charter and complies with the International Professional Practices Framework of the Institute of Internal Auditors.

Internal Audit Planning 2023/24: The Approach

We would encourage SLT and the Audit & Governance Committee to regularly review our live audit plan to assess our rolling internal audit coverage.

This will help to confirm:

- That the internal audit plan builds throughout the year to provide adequate coverage of the key risks faced by the organisation
- That sufficient assurance is being received to monitor the organisation's risk profile effectively; and
- That the areas included on the Future Proposed Audits remain appropriate, with an accurate priority and risk assessment.



A Rolling & 'Live' Programme of Audit Work

Throughout 2022/23 we have continued to use our live [rolling plan document](#) which is held on the Council's Audit, Fraud and Risk Management Teams site.

This document provides an assessment of how our audit work is building throughout the year to enable SWAP to provide an annual opinion on the Council's governance, risk management and control environment. The continuous risk assessment and planning approach highlighted above, aims to ensure that we have a reasonable and equitable spread of work covering the Authority's key risk themes and a table demonstrating the audit coverage and assurances can be found on the first tab.

The rolling plan document contains all work we have completed across the year, and any work that is in progress along with the status of that work.

The final key tab is the 'Future Proposed Audits'. This is our rolling audit plan and details audit work that we plan to undertake in future, along with an assessment of the priority and timing of that work.

Internal Audit Planning 2023/24: SWAP Internal Audit Services

SWAP Internal Audit Services is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes 26 public sector partners.

Over and above our internal audit service delivery, SWAP will look to add value throughout the year wherever possible. This will include:

- Benchmarking and sharing of best-practice between our public-sector Partners
- Regular updates containing emerging issues, risks and fraud alerts identified across the SWAP partnership and beyond

As a company, SWAP has adopted the following values, which we ask our clients to assess us against following every piece of work that we do:

- Exceed expectations;
- Be pragmatic and focus on what matters;
- Be inventive and offer creative solutions;
- Be visible and responsive



Your Internal Audit Service

Audit Resources

The 2023/24 internal audit programme of work will be equivalent to 1,327 days, as agreed by the S151 officer and Service Manager for Assurance. Across the past two years there has been a 25% reduction in the audit days however there is no proposed reduction for 2023/24.

The current internal audit resources available represent a sufficient and appropriate mix of seniority and skill to be effectively deployed to deliver the expected work. We would encourage alternative sources of assurance should be sought/ identified where internal audit coverage of key risks has not been undertaken.

The key contacts in respect of your internal audit service for Dorset Council are:

Sally White, Assistant Director – sally.white@swapaudit.co.uk, 07720312469

Angie Hooper, Principal Auditor – angela.hooper@swapaudit.co.uk 07536 453271

External Quality Assurance

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors (IPPF).

Every three years (which is more regular than the required five yearly assessment), SWAP is subject to an External Quality Assessment (EQA) of Internal Audit Activity. The last of these was carried out in March 2020 which confirmed 'General Conformance' with the IPPF. SWAP is currently considering when it will undertake its next External Assessment which is not formally required until March 2025.

Conflicts of Interest

We are not aware of any conflicts of interest within Dorset Council that would present an impairment to our independence or objectivity. Furthermore, we are satisfied that we will conform with our IIA Code of Ethics in relation to Integrity, Objectivity, Confidentiality, & Competency.

Our Reporting

A summary of internal audit activity will be reported quarterly to Senior Leadership Team (SLT) and the Audit & Governance Committee (*as well as our detailed audit tracker highlighted above being available throughout the year*). Our reporting to SLT and the Audit & Governance Committee will include any significant risk and control issues, governance issues, and other matters that require the attention of SLT and/or the Audit & Governance Committee. We will also report any response from management to a risk we have highlighted that, in our view, may be unacceptable to the organisation.