

Non-Executive Report of the: Audit Committee Tuesday 23 rd April 2024	 TOWER HAMLETS
Report of: Julie Lorraine - Corporate Director, Resources	Classification: Open (Unrestricted)
Annual Internal Audit Plan and Charter: 2024-25	

Originating Officer(s)	David Dobbs – Head of Internal Audit, Fraud & Risk
Wards affected	(All Wards)

Executive Summary

This report presents the annual Internal Audit Plan and Charter for financial year 2024-25 for the Audit Committee’s review and agreement.

Recommendations:

The Audit Committee is recommended to:

1. Agree the Internal Audit plan and Charter for 2024-25 attached at Appendix A.

1. REASONS FOR THE DECISIONS

- 1.1. The Accounts and Audit Regulations 2015 state that a relevant authority must ensure that it has a sound system of internal control which:
 - facilitates the effective exercise of its functions and the achievement of its aims and objectives;
 - ensures that the financial and operational management of the authority is effective; and
 - includes effective arrangements for the management of risk.
- 1.2 The Audit Committee has responsibility for oversight of the arrangements for governance, risk management and control and this report assists the Committee in discharging its responsibilities.

2. ALTERNATIVE OPTIONS

2.1. None.

3. DETAILS OF THE REPORT

3.1 This report provides details of Internal Audit's planned assurance and anti-fraud work for 2024-25 (the Plan). The Plan is designed to support the Council's Strategic Plan 2022-26 and the People First Transformation Programme. It also recognises that Internal Audit will need to evolve and develop to maintain its relevance and value to the organisation; this will include the improvement of current practices to ensure that it is better equipped to provide business critical insights and recommendations on internal controls and risk mitigation strategies

3.2 Internal Audit follows the Public Sector Internal Audit Standards (PSIAS) which encompass the mandatory elements of the Global Institute of Internal Auditors' (IIA Global) International Professional Practices Framework (IPPF). They also include additional requirements and interpretations for the UK public sector. These standards are embedded within the Internal Audit manual which sets out the procedures and policies that are adhered to in undertaking audit work.

3.3 Internal Audit's terms of reference are set out in the updated Audit Charter, which is included within the plan. The Charter defines the purpose, authority, and responsibility of the Internal Audit function and the nature of the activities to be performed by Internal Audit. It also confirms the requirement for Internal Audit to apply and uphold the relevant ethical standards.

4. EQUALITIES IMPLICATIONS

4.1 There are no specific statutory equality implications.

5. OTHER STATUTORY IMPLICATIONS

5.1 Other than the Accounts and Audit Regulations 2015 there are no other statutory implications.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 The Internal Audit service is funded from an established budget which includes the costs of the in-house team and co-sourced audit partner. Any additional work, commissioned outside of the audit plan, is subject to agreed funding before commencement - depending on the nature of the work, funding may be sourced from

the audit budget or from the department/team that has requested the work.

- 6.2 The work of Internal Audit is designed to support the requirements on the authority and responsible financial officer set out in the Accounts and Audit Regulations 2015.

7. COMMENTS OF LEGAL SERVICES

- 7.1 This report is compliant with the Council’s legal duties in respect of risk and internal audit. It also demonstrates compliance with the Corporate Director Resources’ statutory duties under s151 of the Local Government Act 1972.
- 7.2 Council functions must be delivered in a manner which delivers statutory Best Value in terms of economy efficiency and effectiveness. Undertaking the audits over the financial year 24/25 as detailed in the comprehensive audit plan referred to in the appendix will significantly assist the Council to manage risk involved with the referenced activities and will assist the Council to demonstrate compliance with this statutory duty.

Linked Reports, Appendices and Background Documents

Linked Report

- None.

Appendices

- Appendix 1: Annual Internal Audit Plan and Charter: 2024-25

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report

List any background documents not already in the public domain including officer contact information.

- None.

Officer contact details for documents:

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