



West Midlands
Combined Authority

Audit, Risk & Assurance Committee

Date	18 April 2023
Report title	Internal Audit plan 2023/24
Accountable Chief Executive	Laura Shoaf, Chief Executive of the WMCA Email: Laura.Shoaf@wmca.org.uk
Accountable Employee	Helen Edwards, Director of Law and Governance Email: Helen.Edwards@wmca.org.uk
Report has been considered by	WMCA Executive Board 14 December 2022

Recommendation(s) for action or decision:

Audit, Risk & Assurance Committee is recommended to:

1. Review and approve the Internal Audit Plan for 2023/24, which includes an indicative timetable for delivery.

1. Purpose

- 1.1 The purpose of internal audit is to provide the West Midlands Combined Authority (WMCA) with an independent and objective opinion on the effectiveness of our risk management, control, and governance arrangements, and the effectiveness of management arrangements in delivering our agreed objectives.
- 1.2 This document provides ARAC with a risk-based internal audit plan, and is based upon an assessment of assurance needs, used to direct internal audit resources to those aspects of the organisation which are assessed as generating the greatest risk to the achievement of the WMCA's objectives.

- 1.3 The WMCA Executive Board has considered the draft plan and is in agreement with the proposed audits.
- 1.4 The internal audit plan was provisionally approved at the January 2023 meeting of this committee, subject to an updated version of the plan, including a schedule for delivery, being presented at the April 2023 meeting to obtain final approval.

2. Background

- 2.1 Internal Audit is a statutory requirement for all Local Authorities. The audit service is provided in accordance with the Local Government Act (1972), the Accounts and Audit Regulations 2015, as amended and the Public Sector Internal Audit Standards (PSIAS).
- 2.2 Internal Audit is required to provide an independent and objective opinion on risk management, control and governance arrangements within the organisation, and the effectiveness these have in achieving our agreed objectives. The outcome of these activities will be reported to, and monitored by ARAC throughout the year, and will also be used to inform Internal Audit's annual report on the adequacy and effectiveness of our governance, risk management and internal control processes for reporting as part of the Annual Governance Statement within the financial accounts.
- 2.3 A review of the delivery arrangements from the WMCA internal audit function is underway with the aim to ensure that adequate resources are in place to deliver this plan and to provide a full and comprehensive audit function in the future.
- 2.4 As the review is ongoing, WMCA has recruited two interim auditors to support delivery of the 22/23 internal audit plan. These posts will remain in place to enable delivery of the audit plan whilst the internal review is completed.
- 2.5 The timetable for delivery of audits has been structured to accommodate these changes.

3. Financial Implications

There are no financial implications arising directly from the recommendations in this report. However as detailed above, an internal review of the audit function is ongoing and any financial considerations arising from this review that may impact the delivery of the Audit Plan, will be shared with the committee as appropriate.

4. Legal Implications

There are no legal implications arising from the recommendations in this report. The relevant legislation is set out in the body of the report. Internal Audit is a statutory requirement for all Local Authorities. The audit service is provided in accordance with the Local Government Act (1972), the Accounts and Audit Regulations 2015, as amended and the Public Sector Internal Audit Standards (PSIAS).

5. Equalities Implications

Not applicable.

6. Inclusive Growth Implications

Not applicable.

7. Geographical Area of Report's Implications

Not applicable.

8. Other Implications

Not applicable.

9. Schedule of Background Papers

Appendix 1 – Draft Internal Audit Plan 2023/24