

Report of	Meeting	Date
Head of Audit and Risk	Governance Committee	Tuesday, 26 September 2023

Internal Audit Progress report

Is this report confidential?	No
Is this decision key?	No

Purpose of the Report

1. The purpose of this report is to advise members of the work undertaken in respect of the Internal Audit Plan from April 2023 to August 2023 and to give an appraisal of the Internal Audit Service's performance to date.

Recommendations

2. Members are asked to note the position with regard to the Internal Audit Plan.
3. Members are asked to approve the deferral of two reviews from the April to September Internal Audit Plan.

Reasons for recommendations

4. Consideration of the progress against the Internal Audit Plan is a requirement of the Public Sector Internal Audit Standards.

Other options considered and rejected

5. Not applicable.

Corporate priorities

6. The report relates to the following corporate priorities: (Please bold one)

An exemplary council	Thriving communities
A fair local economy that works for everyone	Good homes, green spaces, healthy places

Background to the report

7. The Internal Audit Plan for the six months April to September 2023 was approved by this Committee at its meeting in March 2023 and provides for 141 days of audit work.

Internal Audit Reports

8. **Appendix A** provides a snapshot of the overall progress made in relation to the six month Internal Audit Plan, indicating which audits have been completed and their assurance rating, those that are in progress and those that have yet to start.
9. As members will be aware, previously if Internal Audit reports are issued with a limited assurance rating, a full copy has been appended to the progress reports. Going forwards, it has been agreed with the Chair that in the interests of openness and transparency, all Internal Audit reports will be published with the agenda.
10. The table below highlights the work completed to date with any issues identified where applicable:

Name of Review	Assurance Rating	Comments
2023-24		
Annual Governance Statement (AGS)	Not applicable	Proactive input was provided to inform the AGS Action plan presented to the Governance Committee in May 2023.
National Fraud Initiative	Not applicable	Internal Audit are working with officers to ensure that the results from the main NFI Exercise issued in February 2023 are completed. In addition, work is in progress with regards to the Council Tax Single Person Discount review, which had been delayed due to recruitment challenges and administering various Government initiatives.
Sundry Debtors – Aged Debts	Limited	A copy of this report is included at Appendix B
Revenues and Benefits Project Team	Not applicable	Pro active support to assist with the alignment of revenues and benefits processes.
Building Control	Adequate	A copy of this report is included at Appendix C
Commercial Directorate Development Group	Not applicable	The Head of Audit and Risk is a member of the group established to develop and embed a strong governance framework and a positive culture focused on high quality service delivery.
Project support	Not applicable	Pro active support is being provided with the large scale projects.
Data Quality	Adequate	A copy of this report is included at Appendix D

2022-23		
Phishing exercise	Not applicable	The exercise highlighted that the Council has robust controls and attempts to access the network were thwarted. However, there is still some learning from the exercise and actions have been agreed to further strengthen the current arrangements.

Assurance Ratings Key

Assurance Rating	Definition
Full	the Authority can place complete reliance on the controls. No control weaknesses exist.
Substantial	the Authority can place sufficient reliance on the controls. Only minor control weaknesses exist.
Adequate	the Authority can place only partial reliance on the controls. Some control issues need to be resolved
Limited	the Authority cannot place sufficient reliance on the controls. Substantive control weaknesses exist

11. For all the reviews completed to date, management have accepted all the findings and the agreed actions in these reports will be followed up and reported on at future meetings of this committee.

Amendments to the Audit Plan

12. As highlighted in the Audit Plan October to March 24 report, there has been a recent change in the level of audit resource. This has not only impacted upon the plan going forwards but also there has been a small impact upon the current plan of April to September. As a result, we are seeking the approval of the Committee to defer two separate reviews, listed below. These have been selected based upon the skills of the team and the level of risks within each review. If approved for deferral, both reviews will be considered again within the risk assessment.
- Capita Migration – 10 days
 - Closed Graveyards – 15 days.

Follow up of reports with limited assurance.

13. At the meeting in August, members requested an update on agreed audit actions emanating from reports with a limited assurance rating. The table below sets out the position for each report.

Name of Review	Total number of agreed actions	Actions due by the end of August	Total number implemented	Actions in progress with revised dates
Review of Utilities Management	12	12	9	3
Review of Waste Management	16	14	12	2
Review of Open Water	11	7	3	4
Review of GDPR	12	7	5	2
Review of Commercial Directorate - Procurement	5	5	5	0

Internal Audit Performance

14. **Appendix E** provides information on Internal Audit performance as at 30th June 2023. The majority of the indicators are on target as at the end of June with only the percentage of agreed actions implemented by management being lower than the agreed target. Internal Audit have reviewed the outstanding actions and have concluded that many of these are currently in progress but are not at the stage of being fully implemented.

Public Sector Internal Audit Standards

15. In order for members and senior officers to be able to place reliance on the Internal Audit Service and the annual audit opinion, the service is required to conform with the Public Sector Internal Audit Standards (PSIAS).
16. To be able to demonstrate conformance, a self-assessment is undertaken on an annual basis, with an external validation once every 5 years. The external validation took place in June / July and the report is now attached at **Appendix F**.
17. It is pleasing to note that the service fully conforms with the PSIAS with the exception of some minor process improvements which will be implemented over the next few months.

Climate change and air quality

18. The work noted in this report does not impact the climate change and sustainability targets of the Councils Green Agenda and all environmental considerations are in place.

Equality and diversity

19. The material presented and discussed in this report has not direct implications on equality and diversity.

Risk

20. Risks are considered and highlighted throughout the report.

Comments of the Statutory Finance Officer

21. Not applicable.

Comments of the Monitoring Officer

22. Not applicable.

Background documents

There are no background papers to this report.

Appendices

Appendix A – Internal Audit Plan April 23 to September 23
Appendix B - Internal Audit Review of Sundry Debtors – Aged Debts
Appendix C – Internal Audit Review of Building Control
Appendix D – Internal Audit Review of Data Quality
Appendix E – Internal Audit Performance Indicators as at 30th June 2023.
Appendix F – Peer Review of Internal Audit against the UK Public Sector Internal Audit Standards.

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