

Report of	Meeting	Date
Head of Audit and Risk	Governance Committee	Tuesday, 6 February 2024

Internal Audit Interim Report as at 31st December 2023

Is this report confidential?	No
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Is this decision key?	No
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Purpose of the Report

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

Recommendations

- Members are asked to note the position with regard to the Internal Audit Plan.

Reasons for recommendations

- The production of reports setting out progress against the audit plan is a key requirement of the Public Sector Internal Audit Standards.

Other options considered and rejected

- Not applicable.

Corporate priorities

- 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

- 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. A further six-month plan covering the period October 2023 to March 2024 was approved at the meeting in September 23 and provides for a further 133 days of audit work. Successful delivery of the two combined six-month plans will mean that Internal Audit will have delivered in total 274 audit days.

Internal Audit Reports

- Appendix A** provides a snapshot of the overall progress made in relation to the audit plans, indicating which audits have been completed and their assurance rating, those which are in progress and those that have yet to start.
- The table below highlights the main pieces of work undertaken during the period, together with any issues identified where applicable:

Name of Review	Assurance Rating	Comments
Council Tax Policies	Substantial	A copy of this report is included at Appendix B
Physical Security and Environmental Controls	Limited	A copy of this report is included at Appendix C Due to the risks posed with the current arrangements, all agreed management actions are due to be implemented by the end of March 2024 and an update will be provided to the committee at the meeting in May 2024.
Driver Licence Checks	Limited	A copy of this report is included at Appendix D All agreed management actions were agreed to be implemented by the end of March 2024 and all have now been implemented in full.
General Data Protection Regulations – Transparency	Adequate	A copy of this report is included at Appendix E
Asset management - Inventories	Adequate	A copy of this report is included at Appendix F

- In addition to the completion of the above reviews, Internal Audit continue to contribute to the various project teams and groups providing advice and guidance on internal control, risk management and governance.

Internal Control System

10. To provide members with an overview of the assurance ratings awarded to date, the table below provides a summary of ratings awarded for each level of assurance for the Internal Audit Plan 23/24.

Assurance Rating	Definition	Number of Reviews
Full	the Authority can place complete reliance on the controls. No control weaknesses exist.	0
Substantial	the Authority can place sufficient reliance on the controls. Only minor control weaknesses exist.	1
Adequate	the Authority can place only partial reliance on the controls. Some control issues need to be resolved.	4
Limited	the Authority cannot place sufficient reliance on the controls. Substantive control weaknesses exist	3

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.

Internal Audit Performance

12. **Appendix G** provides information on Internal Audit performance as at 31st December 2023. The majority of indicators have either been achieved or just below the target to date with further details provided below.

Planned time used and percentage plan completed.

The audit plan for 2023/24 is on track to be delivered and this is particularly pleasing given the disruption faced due to the change in resource during the year and the training needs of the new officers.

Percentage satisfaction rating.

Satisfaction with the Internal Audit Service and the quality of the reviews undertaken remains consistently high.

Percentage of agreed actions implemented by management.

Members will be aware that following Covid, the Council was faced with a large number of unimplemented agreed audit actions. Whilst it is accepted this has taken some time, the number of outstanding audit actions are now at pre covid levels with only a small number of actions from audit reviews prior to 2022/2023. An exercise has been undertaken to review the "older" actions to ensure they are still relevant and achievable. Although still below the target implementation rate of 90%, I am confident that this will be achieved by the end of March 2024.

Climate change and air quality

13. 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

14. The material presented and discussed in this report has no direct implications on equality and diversity.

Risk

15. Risk management is a key role of the Governance Committee and this report highlights risks where they exist.

Comments of the Statutory Finance Officer

16. Not applicable.

Comments of the Monitoring Officer

17. Not applicable.

Background documents

There are no background papers to this report.

Appendices

Appendix A – Internal Audit Plan as at 31st December 2023
Appendix B – Internal Audit Review of Council Tax Policies
Appendix C – Internal Audit Review of Physical Security and Environmental Controls
Appendix D – Internal Audit Review of Driving Licence Checks
Appendix E – Internal Audit Review of GDPR Transparency
Appendix F – Internal Audit Review of Asset Management – Inventories
Appendix G – Internal Audit Performance Indicators as at 31st December 2023

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