

AUDIT AND GOVERNANCE COMMITTEE

DATE	30 January 2025
REPORT OF	Head of Audit and Assurance
SUBJECT	Interim Internal Audit Report 2024/25
STATUS	Open

CONTRIBUTION TO OUR AIMS

An effective Internal Audit service contributes to the achievement of the Council's strategic objectives by assessing, providing comment and, if relevant, recommending improvement to the Council's assurance and control frameworks. The Internal Audit plan has also been designed to provide assurances on strategic risks and the supporting governance framework.

EXECUTIVE SUMMARY

The attached report summarises the results of Internal Audit work in relation to the 2024/25 Internal Audit Plan up to 6 January 2025. It describes the progress being made in delivering the audit plan, the outcome of audit of audit work, and compliance with quality standards. This report allows the Audit and Governance Committee, as part of its responsibilities, to assess the effectiveness of Internal Audit in achieving its objectives.

As highlighted in previous reports to the committee the delivery of the plan has been due vacancies earlier in the year. Considering the resources required to conduct the work completed so far, and the estimate of resources required to complete the remaining work by 31 May 2025 the forecast resources required has reduced from 825 days to 775 days. It is anticipated that sufficient work will be conducted to provide a reliable year-end opinion, although this is subject to risks which will need to be managed and reviewed as laid out in the attached report.

RECOMMENDATIONS

The Audit Committee is asked to consider this report as part of its role in monitoring the effectiveness of Internal Audit.

REASONS FOR DECISION

A key responsibility of the Committee is to obtain assurance on the effectiveness of the Council's control environment. Internal Audit plays a significant role in evaluating the control environment, and therefore interim reports such as this contribute to the Committee discharging its duties. In addition, the Committee also has responsibility in monitoring the effectiveness of Internal Audit, including the delivery of the Internal Audit Plan and compliance with Internal Audit Standards.

1. BACKGROUND AND ISSUES

- 1.1 It is a requirement of auditing standards for the Audit and Governance Committee to receive regular updates on the activities of Internal Audit, in particular:
- bringing to the Committee's attention any issues identified during the 2024/25 audit which could impact on the annual opinion;
 - providing assurance that sufficient work will be conducted to provide a reliable risk based annual opinion on the effectiveness of the control environment and any amendments to the audit plan; and
 - providing an update on the activities which have taken place during 2023/24 to assess Internal Audit's compliance with Public Sector Internal Audit Standards (PSIAS).
- 1.2 The attached interim report provides an update on the delivery of the audit plan up to 6 January 2025. As discussed in the report there have been challenges to delivering the audit plan. Although, sufficient work should be conducted to provide a reliable, standard complaint opinion (including taking account of other sources of assurance if applicable), this remains a risk which will need to be monitored and managed.
- 1.3 The interim report also shows the final reports issued by 6 January 2025. Based on the work completed so far Internal Audit is not anticipating an adverse opinion on the Council's control environment.
- 1.4 The report also refers to Audit's Quality Assurance arrangements, including progress in implementing the action plan arising from the External Quality Assessment conducted in November 2023, and reported in February 2024.

2. RISKS AND OPPORTUNITIES

Audits are planned and delivered using risk-based auditing concepts, whilst strategic and operational risks form the significant basis of the formulation of the audit plan. In addition, audit provides an opinion on the residual risk exposure for each audit completed.

The report has highlighted that the risks that remain in delivering the audit plan...

3. OTHER OPTIONS CONSIDERED

Not applicable - the Audit and Governance Committee is required to regularly receive updates on the delivery of the audit plan as part of the discharge of its responsibilities.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

There are no specific reputational and communication considerations other than any identified in specific audit reports shown on Appendix 1 of the interim report.

5. FINANCIAL CONSIDERATIONS

A key role of internal Audit is to provide assurance on the financial systems which support the production of the statement of the accounts, and specific time is allocated for this work. Any significant issues arising from this work will be reported to the Audit and Governance Committee in the Head of Internal Audit Annual Report and Opinion. In addition, effective financial reporting and processes are a key component of the control environment and therefore are considered when planning each assignment

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

Audit assignments relating to Children's Services are included in the audit plan as shown on Appendix 2. As well as the work conducted by Internal Audit, other sources of intelligence will be considered when forming the year-end Head of Internal Audit opinion, particularly the outcome of external inspection reports and the response to them.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None directly arising from the recommendations in this report.

8. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report.

9. LEGAL IMPLICATIONS

There are no specific legal implications arising from this report.

10. HUMAN RESOURCES IMPLICATIONS

There are no direct human resources implications arising from this report.

11. WARD IMPLICATIONS

Applicable to all wards.

12. BACKGROUND PAPERS

Internal Audit Annual Plan 2024/25 (April/ July 2024)

Internal Audit Update (November 2024)

Public Sector Internal Audit Standards (April 2017)

13. CONTACT OFFICER(S)

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