

Internal Audit Progress Report to 31 August 2023

Report of the Internal Audit Manager (Portfolio: Finance and Resources)

Recommended:

That the Internal Audit progress report be noted.

SUMMARY:

This report sets out the Internal Audit coverage, findings, and performance for 2023/24 to 31 August 2023 and summary risk profile for those areas reviewed.

1 Introduction

- 1.1 The Annual Audit Plan for 2023/24 was approved by the Audit Committee on 27th March 2023.
- 1.2 The scope of audits included in the plan enable a continuing assurance opinion to be provided on the adequacy and effectiveness of the Council's internal control framework and reflects the Council's key priorities and objectives.
- 1.3 A risk assessment has ensured that the Corporate and Service risk registers, in consultation with all Heads of Service and Senior Management, inform the plan and that the audit resource required is matched against available resources.

2 Independence and Objectivity

- 2.1 The Internal Audit Team's independence and objectivity has been maintained in accordance with the Public Sector Internal Audit Standards (PSIAS).

3 Performance against the Audit Plan

- 3.1 Since 1 April 2023, the Internal Audit function has made good progress against the Annual Audit Plan 2023/24 as summarised in the Internal Audit Progress Report in the Annex.
- 3.2 Of the 6 audits reported as complete in the Annex, 5 were classified as substantial assurance and 1 as limited assurance. The executive summary detail, assurance opinion and risk profiling definitions are detailed in the Annex.
- 3.3 All actions arising from audit reviews to date have been accepted by management and programmed for implementation.

4 Corporate Objectives and Priorities

- 4.1 The work of the Internal Audit function supports the Council's five strategic priorities to work in a way that recognises the varying needs of the borough communities, working collaboratively, to deliver high quality services that support all communities in Test Valley to thrive.

5 Consultations/Communications

- 5.1 The external auditors have been consulted on internal audit's planned coverage for 2023/24.
- 5.2 The Internal Audit Plan for 2023/24 has involved full consultation with senior management, service heads, external audit, and has been approved by the Audit Committee at its previous meeting.

6 Risk Management

- 6.1 The annual audit plan 2023/24 is based on the Council's risk registers and Internal Audit contributes towards the overall corporate governance framework of assurance.

7 Resource Implications

- 7.1 The Internal Audit Team has been fully resourced for the period from 1 April 2023. The Senior Auditor will however be leaving the Authority on 18 September and there will be a shortfall in resources pending a new appointment.
- 7.2 This will be monitored during the next quarter, but it is anticipated that external resource will need to be sought to support the coverage of the remaining audits in the 2023/24 Audit Plan. The progress report in the Annex also proposes the deferral of 2 audits.
- 7.3 Due to the scale and complexity of the Town Centre Regeneration Programmes it is anticipated that additional time will also be needed to continue to provide project assurance and support for the remainder of the year.

8 Equality Issues

- 8.1 The report is for information purposes, so the Council's EQIA process does not need to be applied.

9 Conclusion

- 9.1 This report outlines the work undertaken and progress against the Internal Audit Plan for 2023/24 by Internal Audit to 31 August 2023.
- 9.2 As of 31 August 2023, progress on the planned 2023/24 Audit Plan is on target. The procurement of additional external resource will be sought to support the delivery of the plan as needed.

Background Papers (Local Government Act 1972 Section 100D)

None

Confidentiality

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:	1		
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