

Internal Audit Progress Report

Report of the Internal Audit Manager

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 20 November 2023 and summary risk profiles for those areas reviewed.

1 Introduction

- 1.1 The Annual Audit Plan for 2023/24 was approved by the Audit Committee on 27 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, 3 were classified as substantial assurance and 3 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. A follow up review of all actions arising from audits which were due for implementation is undertaken 6 monthly. A summary of the position as of 31 October 2023 is provided in section 10.0 of the Internal Audit Progress Report in the Annex.

- 3.4 The Council is required to take part in the Cabinet Office's National Fraud Initiative (NFI) data matching exercise and Council Tax Single Person exercise for 2022/23. The matches for the 2022/23 exercise were published on 23 January 2023 and the Council Tax Single Person Discount exercise on 3 February 2023. Review of these is underway. A summary of progress as at 31 October is provided in section 11 of the Annex.

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 Council's external auditors were 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 was fully resourced for the period from 1 April 2023 to 18 September. Following the resignation of the Senior Auditor, there is a shortfall in resources pending a new appointment.
- 7.2 A recent recruitment exercise proved to be unsuccessful. Consideration is currently being given to the timing and method of a further recruitment process.
- 7.3 External resource will be sought, as needed, to support the coverage of the remaining audits in the 2023/24 Audit Plan. Two audits have been deferred to the 2024/25 planned as agreed at the September Audit Committee.
- 7.4 This will be managed within the existing resources of the Finance and Revenues Service.

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 20 November 2023.
- 9.2 As of 20 November 2023, progress on the planned 2023/24 Audit Plan is on target with external resources available to support the delivery of the plan.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
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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File Ref:	N/A		
Report to:	Audit Committee	Date:	12 December 2023