

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 2024/25 to 31 August 2024 and summary risk profiles for those areas reviewed.

1 Introduction

- 1.1 The Annual Audit Plan for 2024/25 was approved by the Audit Committee on 18 March 2024.
- 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 2024, the Internal Audit function has made good progress against the Annual Audit Plan 2024/25 as summarised in the Internal Audit Progress Report in the Annex.
- 3.2 Of the 5 audits reported as complete in the Annex, 3 were classified as substantial assurance and 2 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.

- 3.4 A follow up review of High and Medium risk actions arising from audits which were due for implementation on or before 30 June 2024 and yet to be concluded has been undertaken.
- 3.5 At the June Audit Committee meeting, Councillors asked for a summary of any outstanding items which have not been fully closed to be included in this update.
- 3.6 Good progress has been made in working with Services to review where actions have been completed. However, as part of this process, the Head of Finance & Revenues has sought to review how the Internal Audit team work with Services to assess the implementation of agreed actions and how they may evolve over time. This work is still ongoing, and a meaningful summary is not yet available for the Committee's review.
- 3.7 A further update on this will be presented to the next meeting.

4 Quality Assurance Improvement Programme (QAIP)

- 4.1 Following an external assessment of the Internal Audit functions conformance with the Public Sector Internal Audit Standards (PSIAS) in March an action plan was developed based on the recommendations made by the assessor. This is reported in more detail in a separate report on this agenda, together with a recommended action plan.

5 Corporate Objectives and Priorities

- 5.1 The work of the Internal Audit function supports the Council's 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.

6 Consultations/Communications

- 6.1 The Internal Audit Plan for 2024/25 has involved full consultation with senior management, Service heads, external audit, and has been approved by the Audit Committee at its March meeting.

7 Risk Management

- 7.1 The annual audit plan 2024/25 is based on the Council's risk registers and Internal Audit contributes towards the overall corporate governance framework of assurance.

8 Resource Implications

- 8.1 The Internal Audit Team was fully resourced for the period from 1 April 2024 to date.

9 Equality Issues

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

10 Conclusion

- 10.1 This report outlines the work undertaken and progress against the Internal Audit Plan for 2024/25 by Internal Audit to 31 August 2024.
- 10.2 As of 31 August 2024, progress on the planned 2024/25 Audit Plan is on target to deliver 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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