

Report to	Governance & Audit Committee
Date of meeting	26 July 2023
Lead Member / Officer	Cllr Gwyneth Ellis / Steve Gadd – Head of Finance and Audit
Report author	Bob Chowdhury – Chief Internal Auditor
Title	Internal Audit Update

1. What is the report about?

- 1.1. This report provides an update for Governance & Audit Committee on Internal Audit's latest progress in terms of its service delivery, assurance provision, reviews completed, performance and effectiveness in driving improvement.

2. What is the reason for making this report?

- 2.1. To provide information on the work carried out by Internal Audit since the last Committee meeting. It allows the Committee to monitor Internal Audit's performance and progress as well as providing summaries of Internal Audit reports so that the Committee can receive assurance on other council services and corporate areas. This enables the committee to discharge its responsibilities as per its Term of Reference. Delivery of the audit plan will assist the committee with obtaining assurance that the Annual Governance Statement appropriately reflects the conditions of the Council.

3. What are the Recommendations?

- 3.1. That the Committee considers the report content, assesses Internal Audit's progress and performance.
- 3.2. That the Committee decides whether it needs further assurance on any of the audited areas to follow up progress with implementing the improvement action plans.

4. Report details

- 4.1. Appendix 1 provides an update on internal audit work carried out since the last update report to the committee in July 2023.
- 4.2. Since the last Governance & Audit Committee update report, seven audits have been completed, none of which received a low assurance rating. Five of the reviews had been awarded a high or medium assurance rating, one review an assurance rating was not required as it was a process review and the last review was completed for Rhuddlan Town Council
- 4.3. Since the last Internal Audit update in April 2023, Internal Audit has moved over to the newly named Finance and Audit Service and will report to Steve Gadd S.151 officer and HoS.
- 4.4. The last 3 months has seen Internal Audit carrying one vacancy, but we have now recruited into the vacant Senior Auditor post with a third Career Pathway – Auditor who is due to start on the 17 July 2023. We have also had a member of the team off on long term sick, but they have now returned and going forward it will be good to have a full complement of staff. During the last two weeks, we have been informed by two Heads of Service about potential financial frauds which has meant that we have had to put our planned audits on hold and start work on two special investigations.
- 4.5. Internal audit monitors performance in relation to addressing actions arising from audit reviews. It is management's responsibility to address the actions and record progress on the performance management system (Verto). Internal Audit continues to perform a 'follow up' and reports on progress with implementing action plans arising from low assurance audits to ensure that necessary improvements are being made.

5. How does the decision contribute to the Corporate Priorities?

- 5.1. There is no decision required with this report. There is no direct contribution to Corporate Priorities, but some projects in the audit plan will review Corporate Priority areas and will provide assurance on their delivery.

6. What will it cost and how will it affect other services?

6.1. Not applicable – there is no decision or costs attached to the report.

7. What are the main conclusions of the Well-being Impact Assessment?

7.1. Not applicable – this report does not require a decision or proposal for change.

8. What consultations have been carried out with Scrutiny and others?

8.1. Not required

9. Chief Finance Officer Statement

9.1. There are no financial implications attached to this report.

10. What risks are there and is there anything we can do to reduce them?

10.1. Should insufficient audit work be completed during the year, there is a risk that the Chief Internal Auditor is unable to draw on sufficient assurance to issue a complete annual opinion in accordance with the Public Sector Internal Audit Standards. Audits are prioritised to provide coverage of governance, risk management and internal controls and scopes for these audits will focus on key risks.

11. Power to make the decision

11.1. Not applicable – there is no decision required with this report.