

Report to	Governance & Audit Committee
Date of meeting	06 March 2024
Lead Member / Officer	Cyng / Cllr Gwyneth Ellis / Bob Chowdhury – Chief Internal Auditor
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 November 2023.
- 4.2. Since the last Governance & Audit Committee update report, 12 audits have been completed with 11 being awarded a high assurance rating and one receiving a medium assurance rating. The team is now fully staffed and despite the seven special investigations the team has made good progress since November on the internal audit plan with 12 reviews completed, which demonstrates how well the new staff are performing.
- 4.3. During the last ten months the team has been involved in seven special investigations that have been very challenging and demanding on Internal Audit resources. Four of the investigations are now at the draft reporting stage and the other three should hopefully be at draft stage by the middle of March. The seven whistle-blowing complaints received by the Council involve five different services and relate to poor governance arrangements, misappropriation of funds, issues around grant funding, potential data breach and petty cash.
- 4.4. Training is being provided to support and progress the three Senior Auditor Career Pathway (CP) posts. Since September two of the Senior Auditor (CP) have started studying the Institute of Internal Auditors qualification and they are both enjoying the course and working hard.
- 4.5. Internal audit monitors performance to address actions arising from audit reviews. It is management's responsibility to address these 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.
- 4.6. Following on from the exercise carried out during the summer, around identifying how many actions remain outstanding on the Verto System as well as schools, the team has repeated the exercise and the results are attached in the performance table in appendix 1.

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.