

<b>Report to</b>	Governance & Audit Committee
<b>Date of meeting</b>	22 January 2025
<b>Lead Member / Officer</b>	Cyng / Cllr Gwyneth Ellis / Bob Chowdhury – Chief Internal Auditor
<b>Report author</b>	Bob Chowdhury – Chief Internal Auditor
<b>Title</b>	Internal Audit Update

## **1. What is the report about?**

1.1. This report provides an update for Governance and 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 Terms 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 September 2024.
- 4.2. Since the last Governance and Audit Committee update in September, eight internal audit reports have been completed with two being awarded a high assurance rating, three receiving a medium assurance rating and three not being awarded an assurance rating as these are process reviews.
- 4.3. This year has been a challenging year for Internal Audit with a number of factors outside the control of the team which include: -
- Three whistleblowing complaints to date and after initial discussions with the Corporate Director – Governance and Business, Internal Audit have undertaken two investigations with the other being carried out by the service.
  - Three members of the team volunteered to support Highways and Environmental service with the roll out of the new waste service.
  - We have had an unusually high amount of sickness since 1 April to 31 December 2024 resulting in 136 days being lost, and
  - Finally, one of the Career Pathway Senior Auditors resigned on 25 November 2024, which will have an impact on the plan as we will have one less auditor.
- 4.4. Since April 2024 we have had two special investigations that have been very challenging and demanding on Internal Audit resources. Due to the complexity of one of the complaints, we have paused the investigation as there are additional factors that need to be resolved first before we can complete our investigation.
- 4.5. The second investigation has now been completed and a report has been produced. We are meeting with the Head of Service and HR on the 16 January 2025.
- 4.6. This year has been a challenging year for Internal Audit with a number of factors outside the control of the team meaning we will not be able to complete the whole plan. Therefore, we have come up with a revised plan (see appendix

1) that will ensure we provide a minimum coverage of 50% in each of the five tables and will ultimately allow the Chief Internal Auditor to provide assurance that the Annual Governance Statement appropriately reflects the conditions of the Council.

4.7. The days available to the team until the 31 March 2025 are 182 days and the revised plan will require 169 days. This means that we have a contingency of 13 days.

4.8. Despite these challenges, the team have worked extremely hard and have currently achieved 23% of the plan and if the revised plan is completed then we would achieve 60% of the Internal Audit Plan for 2024/25.

4.9. 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 'follow-ups' and reports on progress with implementing action plans arising from low assurance audits to ensure necessary improvements are being implemented.

## **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.