

REPORT TO AUDIT & GOVERNANCE

Date of Meeting: 29th NOVEMBER 2023

Report of: AUDIT MANAGERS

Title: INTERNAL AUDIT PROGRESS REPORT 2ND QUARTER 1st JULY TO 30th SEPTEMBER 2023

Is this a Key Decision?

No

Is this an Executive or Council Function?

COUNCIL

1. What is the report about?

- 1.1 To report on internal audit work carried out during the period 1st July to 30th September 2023, to advise on overall progress against the Audit Plan and to report any emerging issues requiring consideration.

2. Recommendations:

- 2.1 That the Internal Audit Progress Report for the second quarter of the year 2023/24 be noted.

3. Reasons for the recommendation:

- 3.1 One of the roles of this committee is to review quarterly internal audit reports and the main issues arising and seek assurance from management that action has been taken, where necessary.

4. What are the resource implications including non-financial resources:

None

5. Section 151 Officer Comments:

- 5.1 In respect of the Audit finding set out in the Appendices, the section 151 Officer is undertaking a review of Corporate Credit Cards to ensure that they are being used for the intended purpose. This review is likely to reduce the number of cards significantly.

6. What are the legal aspects?

This report provides an update on internal audit work carried out. It does not raise any legal issues.

7. Monitoring Officer Comments:

- 7.1 This report raises no issues for the Monitoring Officer given there are no outstanding actions, however the Monitoring Officer will look forward to reading the content of the Corporate Credit Card Review.

8. Report details:

This Committee is responsible for the implementation and active monitoring of audit processes and actions, which includes performance against the annual audit plan,

reviewing quarterly internal audit progress reports and seeking responses and assurance from management where remedial action has not been agreed or implemented within a reasonable timescale. The 2022/23 Audit Plan was approved at this Committee on 8th March 2023.

The purpose of internal audit is to provide an independent, objective assurance and consulting service designed to add value and improve the Council's operations. The mission of internal audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight. The internal audit Service helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. Each of the activities we audit are given an assurance rating as follows:

Substantial Assurance	There is a sound system of internal control designed and operating in a way that gives a reasonable likelihood that the objectives will be met
Satisfactory Assurance	Whilst there is a basically sound system of internal control there are weaknesses which put some of the objectives at risk or there is evidence that the level of non-compliance with some of the controls may put some of the objectives at risk
Limited Assurance	Weaknesses in the system of internal controls are such as to put the objectives at risk or the level of non-compliance puts the objectives at risk.
No assurance	Control is generally weak leaving the system open to error or abuse or significant non-compliance with basic control processes leaves the processes/systems open to error or abuse

8.1 **Work Undertaken**

A summary of progress against the annual audit plan to date is shown at Appendix A, together with the current status of each area for review. The outcomes of the review, where completed, are detailed in the Executive Summary for each report issued during the last quarter Appendices B-H.

I am pleased to report that agreed actions from previous audit reports are being progressed satisfactorily.

Progress against the annual audit plan is on target.

8.2 **Progress report on 'high' risk issues and remedial action agreed**

There are currently no outstanding remedial actions or high risk issues.

8.3 **Governance Issues**

The Council's annual governance statement (AGS) includes some significant governance issues and an action plan has been compiled which will be subject to regular monitoring by the Audit and Governance Committee.

The action plan of the issues identified has been included in Appendix I.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 Good governance contributes to the Council's purpose of a "Well Run Council".

10. What risks are there and how can they be reduced?

N/A

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equality Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because: because

11.4.1 The report is for information only

12. Carbon Footprint (Environmental) Implications:

12.1 No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

N/A

Director Finance, David Hodgson

Author: Audit Managers, Helen Putt and Helen Kelvey

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1972 (AS AMENDED)

Background papers used in compiling this report:-
None

Contact for enquires:
Democratic Services (Committees)
Room 2.3
01392 265275