

Name of Committee:	Audit & Finance Committee		
Committee Date:	25 th March 2024		
Report Title:	Internal Audit Progress Report 2023-24		
Responsible Officer:	Steven Pink		
Cabinet Lead:	Councillor Bowdell		
Status:	Non-Exempt		
Urgent Decision:	No	Key Decision:	Yes/ No
Appendices:	Appendix 1 - Internal Audit Progress Report 2023-24 (February 24)		
Background Papers:	Internal Audit Plan 2023-24. Audit and Finance Committee 30 October 2023. Agenda Item 5.		
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Report Number:	HBC/097/2024		

Corporate Priorities:

Internal audit plays a vital role in helping the Council accomplish its strategic objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Executive Summary:

In accordance with the Public Sector Internal Audit Standards and the Council's Internal Audit Charter, the Chief Internal Auditor is required to provide a written status report to Audit and Finance Committee summarising:

'communications on the internal audit activity's performance relative to its plan.'

The Internal Audit Progress Report, attached as Appendix 1, summarises the performance of Internal Audit for 2023-24 to 29th February 2024.

Recommendations:

The Audit and Finance Committee is requested to:

- 1) Note the Internal Audit Progress Report, reflecting progress to 29th February 2024, attached as Appendix 1.

1.0 Introduction

- 1.1 The purpose of this paper is to provide the Audit and Finance Committee with an overview of internal audit activity against assurance work completed in accordance with the approved audit plan and to provide an overview of the status of 'live' reports.

2.0 Background

- 2.1 In accordance with the Public Sector Internal Audit Standards and the Council's Internal Audit Charter, the Chief Internal Auditor is required to provide a written status report to Audit and Finance Committee summarising:

- The status of 'live' internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor's annual opinion.

3.0 Options

- 3.1 Not applicable.

4.0 Relationship to the Corporate Strategy

- 4.1 Internal audit plays a vital role in helping the Council accomplish its strategic objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

5.0 Conclusion

- 5.1 The Internal Audit Progress Report, attached as Appendix 1, summarises the performance of Internal Audit for 2023-24 to 29th February 2024 and provides the status of 'live' internal audit reports.

6.0 Implications and Comments

6.1 S151 Comments

Internal Audit is a vital function that provides professional scrutiny and challenge to the organisation and helps us to identify areas for improvement and allows for intervention before risks are allowed to grow or become embedded.

The Council works closely with the Southern Internal Audit Partnership to ensure transparency and provide all relevant access to data and officers to assist in delivering a thorough audit process.

The risk-based approach allows for the right areas to be targeted without overburdening officers or placing undue costs upon the Council.

It is clear from the report that there are some areas for improvement. Some of these stem from historical leadership where there has been some management knowledge loss compounded over time. Other areas requiring improvement were known and have been target by the Executive Leadership Team for audit work to gain greater clarity of the required improvements which can be used to formulate robust improvement plans. The Council's management team will aim to ensure all Assurance opinions are at least to a "reasonable" level during the next year and that we are working towards "substantial" in all key areas.

The report finding are accepted and built into future service design and delivery plans.

6.2 Financial Implications

Internal Audit is provided through the Southern Internal Audit Partnership. The audit plan consists of 250 audit days and will remain fluid throughout the year to meet the changing needs and capacity of the Council.

6.3 Monitoring Officer Comments

Internal Audit plays a vital role in Council's governance procedures and assurance processes. It is the role of the Audit and Finance Committee to ensure that the Council has a sound system of internal control which facilitates the effective exercise of its functions and the

achievements of its aims and objectives. This role includes the consideration of reports from the internal auditor in respect of updates, key findings and action in hand as a result of internal services work.

6.4 Legal Implications

Compliance with the Accounts and Audit (England) Regulations 2015.

6.5 Equality and Diversity

Not applicable.

6.6 Human Resources

Not applicable.

6.7 Information Governance

Not applicable.

6.8 Climate and Environment

Not applicable.

7.0 Risks

7.1 Failure to deliver a coherent and appropriate audit plan would increase the risk of failing within the Council's service delivery.

7.2 The audit needs assessment follows a risk-based audit approach taking cognisance of the Council's risk register.

8.0 Consultation

8.1 This report has been discussed with the Council's Section 151 Officer who has regular update meetings with the Deputy Head of Southern Internal Audit partnership.

9.0 Communications

9.1 Not applicable.

Agreed and signed off by:		Date:
Cabinet Lead:	Cllr Neil Bowdell	15//03/24
Executive Head:	Matt Goodwin	15/03/24
Monitoring Officer:	Jo McIntosh	14/03/24
Section151 Officer:	Steven Pink	15/03/24