

Thursday, 9 February 2023

Report of the Audit Manager

Quarterly Internal Audit Progress Report - Quarter 3

Exempt Information

None.

Purpose

To provide Audit & Governance Committee with internal audit's progress report for period to 31 December 2022.

Recommendations

That the Committee notes Internal Audit's Quarterly Report (Appendix 1), which includes results up to 31 December 2022.

Executive Summary

The Accounts and Audit Regulations 2015 require councils to undertake an effective internal audit to evaluate effectiveness of their risk management, control and governance processes, taking into account Public Internal Audit Standards and guidance.

Progress during Quarter 3 of 2022/23 is contained and detailed in **Appendix 1** to this report. The performance against target of 72% completion of the audit plan is currently 35%. Following comments received from this Committee **Appendix 1** includes a profile of the work to be completed quarter by quarter.

I previously reported that we had procured the services of BDO to undertake general audit services and an outline of the currently outstanding work is contained in the appendix. At Qtr 2, it was anticipated the completion of the remaining audits during quarter 3 would result in a completion rate at 31st December of 75%. These reviews were originally expected to be fully started and a number completed by 31 December. However due to scheduling requirements a number of audits have been moved from Quarter 3 to Quarter 4, these are outlined in **Appendix 1** – with a forecast completion rate for the year of 75% compared to the target of 90%.

In the current financial year we underwent a recruitment exercise to appoint a Senior Auditor which would have provided a sufficient level of resource to complete the Audit Plan. As Committee will be aware we were unsuccessful in this recruitment exercise. This led to a delay in getting started on the Audit Plan for 2022/23 and is the reason behind the low completion of the plan. To ensure that this situation does not reoccur in 2023/24 the Audit Manager has looked at procuring IT Audit resource via a 1 year extension of the current contract. Additional discussions are being undertaken to allow us to extend the current contract with BDO via the NHS framework agreement, again for a further year. The earlier implementation of these contracts would mean that we can proceed with the audit plan from April 2023.

I can report that Internal Audit's compliance with the Public Internal Audit Standards is currently being assessed and a full report will be provided to this committee once this has been completed.

Options Considered

Not applicable.

Resource Implications

Not applicable.

Legal/Risk Implications Background

Failure to report would lead to non-compliance with the requirements of the Annual Governance Statement and the Public Internal Audit Standards.

Equalities Implications

None.

Environment and Sustainability Implications (including climate change)

None.

Background Information

None.

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List of Background Papers

Appendices

Appendix 1 – Internal Audit Progress Report including progress to 31 December 2022.