

Wednesday, 23 August 2023

Report of the Audit Manager

Internal Audit Quarterly Progress Report - Quarter 1 2023/2024

Exempt Information

None.

Purpose

To provide Audit & Governance Committee with internal audit's progress report for period to 30th June 2023.

Recommendations

That the Committee notes Internal Audit's Quarterly Report (**Appendix 1**), which includes results up to 30th June 2023.

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 the Public Sector Internal Audit Standards and guidance.

Progress during Quarter 1 of 2023/24 is contained and detailed in **Appendix 1** to this report. The profiled performance for the year indicates that the service should have completed 25% of the Audit Plan by the end of the quarter. Due to exceptional circumstances we have not met this target and are currently in the process of completing the audits started in Quarter 1. During the period we have started all 4 audits scheduled however these were not concluded by 30th June 2023. During the period however we did conclude all of the 3 audits rolled into 2023/24 from the previous financial year.

Due to the exceptional circumstances which have affected the service during Quarter 1, I have undertaken contingency planning with our general auditor provider, BDO, to undertake and backfill 3 audits in addition to those already allocated. Due to resourcing of these audits these will be completed during Quarters 3 and 4 of 2023/24. Details of allocations of audits are contained within **Appendix 1** of this report.

Internal Audit is required to comply with the Public Sector Internal Audit Standards and part of this requirement is for an external quality assessment to be undertaken. This was last completed in January 2023 and the findings of the assessment were reported to this committee on 22nd March 2023. Following the review an Action Plan was drawn up and it was presented to this committee in April 2023. As part of the assurance processes it was agreed to bring this, on a quarterly basis, to highlight progress made against the planned recommendations. The updated External Quality Assessment Action Plan is contained as **Appendix 2** to this report.

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 Sector 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 – Quarterly Internal Audit Progress Report including progress to 30 June 2023.

Appendix 2 – External Quality Assessment Action Plan