



**OPEN REPORT**

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**GOVERNANCE AND RESOURCES COMMITTEE**

**Governance and Resources 21st March 2024**

**Internal Audit Progress Update 2023/24**

**Report of the Director of Resources**

**Report Author and Contact Details**

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**Wards Affected**

District Wide

**Report Summary**

This report is to present for members' information a progress update in respect of the 2023/2024 Internal Audit Plan and to provide assurance on the governance, risk and control arrangements in place. The report includes a summary of internal audit reports issued since the last meeting of this committee and details of overall progress on the plan.

**Recommendation**

That the report be received and noted.

**List of Appendices**

Appendix 1 Internal Audit Reports Issued October 2023 – January 24

Appendix 2 Progress on the 2023/24 Internal Audit Plan

**Background Papers**

None

**Consideration of report by Council or other committee**

Not Required

**Council Approval Required**

No

**Exempt from Press or Public**

No

## Progress Update on the 2023/24 Internal Audit Plan

### 1. Background

- 1.1 The 2023/24 Operational Audit Plan was approved by the Governance and Resources Committee on the 8<sup>th</sup> March 2023. The plan provides a framework by which service functions are reviewed to test and report on the adequacy and effectiveness of the governance, risk and control arrangements in place.
- 1.2 This report details the results of the internal audit reviews undertaken since the last meeting and overall progress on the 2023/24 Internal Audit Plan.

### 2. Report

- 2.1 Attached, as Appendix 1, is a summary of reports issued to date in respect of the 2023/24 financial year. The Appendix shows for each report the level of assurance given in respect of the audit area examined and the number of recommendations made / agreed where a full response has been received.
- 2.2 The table below provides the meaning of the assurance levels that can be awarded in terms of risk and control.

Assurance Level	Definition
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
Reasonable Assurance	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.
Inadequate Assurance	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

- 2.3 This period, six reports have been issued, one with Substantial Assurance and five with Reasonable Assurance.
- 2.4 In respect of the audits being reported, no fraud was identified.
- 2.5 Attached at Appendix 2 is a summary of progress made on the 2023/24 internal audit plan overall. It is expected that most audit reviews planned for 2023/24 will be completed by the end of the financial year, with just a few audits being rolled forward to 2024/25.

### 3 Options Considered and Recommended Proposal

- 3.1 N/A

## **4 Consultation**

4.1 No public consultation is required.

## **5 Timetable for Implementation**

5.1 N/A

## **6 Policy Implications**

6.1 Effective Internal Audit arrangements contribute to good governance and to the corporate priority of a “Financially sound, fair and responsive Council”.

6.2 Audit reviews help to ensure that the Council’s resources and priorities are focused on achieving the objectives within the corporate plan and that there are appropriate governance, risk and control arrangements in place.

## **7 Financial and Resource Implications**

7.1 There are no financial implications arising from this report.

## **8 Legal Advice and Implications**

8.1 Internal Audit provides a valuable service in reviewing procedures and processes against high standards of governance. Recommendations arising from specific reports help the organisation to learn, improve and mitigate risk.

8.2 The legal risk of challenge if the recommended decision is taken as suggested has been assessed as low.

## **9 Equalities Implications**

9.1 There are no equalities implications arising from this report.

## **10 Climate Change Implications**

10.1 There are no climate change implications arising from this report.

## **11. Risk Management**

11.1 Audit reviews provide assurance that governance, risk and control arrangements are in place and operating. The timely implementation of internal audit recommendations reduces the risk of fraud, error and system failure.

### **Report Authorisation**

Approvals obtained from:-

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Paul Wilson	11/03/2024
Director of Resources/ S.151 Officer	Karen Henriksen	13/03/2024
Monitoring Officer	Helen Mitchell	12/3/2024