



THIS IS AN OPEN REPORT EXCEPT FOR APPENDIX 3, WHICH IS NOT FOR PUBLICATION – Exempt information as described in paragraphs 3 and 7 of Schedule 12A of the Local Government Act 1972

GOVERNANCE AND RESOURCES COMMITTEE

Governance and Resources 2nd November 2023

Internal Audit Progress Update 2023/24

Report of the Director of Resources

Report Author and Contact Details

Jenny Williams – Head of the Internal Audit Consortium
Telephone: 01246 959770
Email: jenny.williams@chesterfield.gov.uk

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. The report includes a summary of internal audit reports issued since the last meeting of this committee and an update on the implementation of internal audit recommendations.

Recommendation

That the report be received and noted.

List of Appendices

Appendix 1 Internal Audit Reports Issued 2023/24

Appendix 2 Progress on the 2023/24 Internal Audit Plan

Appendix 3 Implementation of Internal Audit Recommendations. **This appendix is NOT FOR PUBLICATION as it contains exempt information as described in paragraphs 3 and 7 of Schedule 12A of the Local Government Act 1972**

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 8th 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 a review of the progress made on the 2023/24 internal audit plan and in respect of implementing internal audit recommendations.

2. Report

- 2.1 Recruitment difficulties meant that very little of the 2022/23 Internal Audit plan was completed however, a Senior Auditor commenced at the end of May 2023 and an Auditor in July 2023.
- 2.2 Progress against the 2023/24 plan and whether it is still achievable has been assessed. It is currently anticipated that most of the plan will be completed so the plan has not been revised at this point in time. However, it should be noted that the contingency days have been fully utilised, so it is critical that the Auditors are not diverted to other work if an unlimited audit opinion is to be given at the year end.
- 2.3 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.
- 2.4 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.

- 2.5 This period, two reports have been issued both with Reasonable Assurance.
- 2.6 In respect of the audits being reported, no fraud was identified.
- 2.7 Attached at Appendix 2 is a summary of progress made on the 2023/24 internal audit plan overall.

IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS

- 2.8 Attached at Appendix 3 is a summary of made, implemented and overdue internal audit recommendations as at the end of September 2023. There are 25 recommendations where implementation has either not started or is in progress (2 High priority 10 Medium priority and 13 Low priority recommendations). The appendix provides a current update from managers in respect of each outstanding recommendation where provided.

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 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. There are no specific legal considerations arising from this report.

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:-

	Named Officer	Date
Chief Executive	Paul Wilson	24/10/2023
Director of Resources/ S.151 Officer (or Financial Services Manager)		
Monitoring Officer (or Legal Services Manager)	Kerry France	24/10/2023