AGENDA ITEM

REPORT TO AUDIT & GOVERNANCE COMMITTEE 29 SEPTEMBER 2025

REPORT OF HEAD OF INTERNAL AUDIT

INTERNAL AUDIT ACTIVITY REPORT

SUMMARY

To inform members of the progress of audit testing to date and present a forward plan of testing and the resources available to meet the plan to support the assessment of risk.

RECOMMENDATIONS

It is recommended that:-

1. The results of audit activity is noted and agree that the work for the next quarter be prioritised using the audit risk assessment methodology as outlined in the Audit Charter.

DETAIL

1. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. To support this, audit work the results of audit work are an integral part of the assurance framework in place to assess the current risk status.

2. The overall summary shows a summary of audit results against each theme.

Theme	Red	Amber	Green	Total	Assurance
Application for a Service/Support		9	26	35	85.03
Application for an Approval/Permission		2	26	28	95.41
Assets	2	2	21	25	85.44
Business Continuity	1	3	26	30	90.83
Corporate Governance	3	13	54	70	87.12
Finance	3	4	107	114	94.82
ICT			26	26	100.00
Information Governance	1	2	27	30	91.67
People	3	12	30	45	75.96
Performance Management	1	2	6	9	77.50
Procurement/Contracts	1	3	22	26	93.46
Regulatory Services			16	16	100.00
Total	**15**	**52**	**387**	**454**	**89.68**

3. Audit testing results breaks down work undertaken in the previous period to provide members with an update on where audit resources have been employed and the results of that work. This will highlight any concerns raised in the period. There have been 5 Red controls identified in the period. Members are reminded that testing frequencies are adjusted based on their status, controls rated as red are reviewed every 3 months. This may give the impression that the same issues are being raised each quarter whilst recommendations are actively being implemented, we monitor progress of implementation. There is currently only one Red control that has previously been reported in relation to the Joint Strategic Needs Assessment, this is a large piece of work and good progress has been made to date. The remaining 4 Red controls highlighted in the quarter are in relation to the completion of information governance training (Community Services and Children's Services), a backlog in Primary Bridge Inspections and Annual Maintenance Plans for Council Owned Buildings.

Theme	Red	Amber	Green	Total
Application for a Service/Support		4	5	9
Application for an Approval/Permission			3	3
Assets	2		3	5
Business Continuity		1	3	4
Corporate Governance		3	10	13
Finance		1	10	11
ICT			5	5
Information Governance			2	2
People	2	2	5	9
Performance Management	1		1	2
Procurement/Contracts		2	4	6
Regulatory Services			1	1
Total	**5**	**13**	**52**	**70**

4. Planned work identifies the areas to be examined in the next period as required by the Public Sector Internal Audit Standards. Members are reminded that each control is risk assessed to determine the frequency of testing, audit work is planned and undertaken a rolling programme which prioritises controls with the highest risk rating in accordance with this methodology. I am required to report any concerns I may have that would impact on the independence of the audit service or the adequacy of resources, I can confirm that I have no concerns in either regard.

5. Quality Assurance and Improvement shows a balanced scorecard for the delivery of the audit service. The majority of indicators will be reported annually but the ones shown provide an update on progress against agreed work to date. The level of adequate resources is calculated after staff time is adjusted to allow for Annual Leave, Bank Holidays and a reasonable amount of Admin Time. We fell short of our target for completion of work; however the summer months are notoriously difficult to complete audit work due to annual leave within the team and also across the council. I have prepared a brief comparison with previous years to provide members with a degree of comfort that we are still on track to

deliver the required amount of work during the year to provide an opinion. Productivity levels are marginally lower than expected, this is partly due to maternity leave. Whilst we have been able to balance workloads sufficiently to manage the maternity leave we are unable to plan for our 15 day contingency therefore any additional work identified will require a delay in some other work, this will be managed on a risk basis.

Analysis of completion rates during the months June, July & August.

Year	Controls Tested
2023	19
2024	51
2025	61

6. In addition the team has been additionally involved in a number of one-off pieces of work that sit outside of the planned work including a full review of SEND systems and processes as a result of an Ombudsman Public Interest Letter which is currently on-going.

Quality, Assurance & Improvement Process					

Period Covered	November 2024	to	January 2025		

Stewardship (Coverage)		
Measure	Target	Performance
Adequate Resources (Next 3 Months)	15	0
Portfolio Coverage (Period)	82	70
Presentation of Annual Report (Annual)	June	*
Presentation of Activity Report	Qtrly	*

Stakeholders		
Measure	Target	Performance
Reports Issued	Qtrly	*
Fraud Strategy Review	31/03/2025	*
Client Satisfaction	TBC	*
Recommendation Implementation	TBC	*

Process		
Measure	Target	Performance
Self assessment against standards (Annual)	March	*
External Assessment (Every 5 Years)	March 2023	*
Staff Meetings Held (Period)	8	13
Up to Date Audit Manual	March 2023	*

People		
Measure	Target	Performance
Productivity (Period)	75%	74%
Training (Per Financial Year)	20	*
Code of Conduct (Annual)	100%	*
Appraisals (Annual)	100%	*

* - To be reported as part of annual report

7. NFI Progress – An update on this work will be reported alongside the revised Anti-Fraud and Corruption Strategy which is due to be presented in November..

FINANCIAL AND LEGAL IMPLICATIONS
None directly

RISK ASSESSMENT
This is a summary of the Council's risk environment.

COUNCIL PLAN IMPLICATIONS
None

CONSULTATION
N/A

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