

AGENDA ITEM

REPORT TO AUDIT & GOVERNANCE COMMITTEE 24 NOVEMBER 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	29	38	86.20
Application for an Approval/Permission	1	2	27	30	92.99
Assets	2	3	21	26	83.33
Business Continuity	1	3	25	29	90.52
Corporate Governance	2	12	51	65	89.71
Finance	2	3	108	113	95.74
ICT		1	22	23	96.96
Information Governance	1	2	24	27	90.00
People	5	11	30	46	74.19
Performance Management	2	2	6	10	73.81
Procurement/Contracts	1	2	24	27	94.59
Regulatory Services			15	15	100.00
Total	17	50	382	449	89.32

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. The controls rated as Red in the period relate to NFI progress in Council Tax, DBS rechecks within one team in the council, Retention of Fit Notes and Children's Social Care referral rates.

Theme	Red	Amber	Green	Total
Application for a Service/Support		1	5	6
Assets		1		1
Business Continuity			1	1
Corporate Governance			5	5
Finance	1	1	13	15
ICT			3	3
Information Governance	1		1	2
People	2	1		3
Performance Management	2			2
Procurement/Contracts			3	3
Total	6	4	31	41

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 achieved our target completion rate for the period.
6. I would like to make members aware of a recent decision made to procure a new ICT system that will support the work of the service. The system is a combined Project Management, Performance and Risk Management/Assurance solution. We have operated on our current platform since 2007 so this will be a big change for the team. Our current contract expires in February 2026 when we will go live with the new system. The new system will have a number of benefits for the team including but not restricted to wider access to information and improved reporting of results. As a result there is likely to be a change to the format of the information presented to this committee.

Quality, Assurance & Improvement Process

Period Covered	November 2024	to	January 2025
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Stewardship (Coverage)		
Measure	Target	Performance
Adequate Resources (Next 3 Months)	15	10
Portfolio Coverage (Period)	40	41
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	8
Up to Date Audit Manual	March 2023	*

People		
Measure	Target	Performance
Productivity (Period)	70%	72%
Training (Per Financial Year)	20	*
Code of Conduct (Annual)	100%	*
Appraisals (Annual)	100%	*

* - To be reported as part of annual report

- 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. This will now be presented at the next meeting. A change in legislation introduces a new offence of “Failure to Prevent Fraud” which places some additional requirements specifically on the Anti-Fraud and Corruption Strategy and work is continuing to understand the changes required.

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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