

AGENDA ITEM

REPORT TO AUDIT & GOVERNANCE COMMITTEE 28 SEPTEMBER 2026

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 is shown in Appendix A to this report. The report is distilled into 5 sections:
 - Results of recent work, for this report it displays all results since 1 June 2026.
 - Overall Summary, this considers all of our results.
 - High, these are the results of testing considered high impact
 - Medium, these are the results of testing considered medium impact
 - Low, these are the results of testing considered low impact
3. The results of testing provides assurance that controls on the whole continue to be operating effectively. Where weaknesses have been identified we have confidence that improvements will be made as we have evidence that supports risks decreasing during follow-up work. There are currently no obvious trends in terms of root causes or themes that indicate any fundamental underlying issues with the control environment.
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.

Quality, Assurance & Improvement Process

Period Covered	June 2026	to	September 2026
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Stewardship (Coverage)		
Measure	Target	Performance
Adequate Resources (Next 3 Months)	15	10
Presentation of Annual Report (Annual)	June	*
Presentation of Activity Report	Qtrly	*

Stakeholders		
Measure	Target	Performance
Reports Issued	Qtrly	*
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. 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

Name of Contact Officer: Andrew Barber, Assurance Manager

Telephone No: 01642 526176

Email Address: andrew.barber@stockton.gov.uk