

For publication

Internal Audit Progress Update

Meeting:	Standards and Audit Committee
Date:	23rd November 2022
Cabinet portfolio:	Governance
Directorate:	Finance
For publication	

1.0 Purpose of the report

- 1.1 To present for members' information a progress report in respect of the 2022/23 Internal Audit Plan.

2.0 Recommendation

- 2.1 That the report be noted.

3.0 Reason for recommendation

- 3.1 To update Members on progress against the 2022/23 Internal Audit Plan and to provide assurance on the governance, risk and control processes in place.

4.0 Report details

- 4.1 The Public Sector Internal Audit Standards require that the Head of the Internal Audit Consortium periodically reports to the Standards and Audit Committee in respect of performance against the audit plan. Significant risk and control issues should also be reported.
- 4.2 The 2022/23 Internal audit plan was approved at the Standards and Audit Committee on the 20th of April 2022.
- 4.3 Attached, as Appendix 1, is a summary of reports issued since this Committee last met in respect of the 2022/23 internal audit plan. This period 4 reports have been issued 1 with substantial assurance and 3 with reasonable assurance.
- 4.4 The assurance level is awarded in respect of the controls in place and the system's ability to meet its objectives and manage risk in line with the

definitions below. The assurance levels have also now been linked to definitions of risk within the risk management strategy.

Assurance Level	Definition	Risk Strategy Link
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.	Negligible/ Low impact – regular reviews plus low - cost improvements
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.	Low / Medium impact – close monitoring and cost - effective controls required
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.	Medium / High impact Unacceptable Risk – Immediate control improvements required
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.	High / Very High impact Unacceptable Risk – immediate control improvements required

- 4.5 No fraud has been detected.
- 4.6 In terms of recruitment, we have now successfully appointed to the vacant NEDDC Senior Auditor post (internal applicant) and to the BDC Senior Auditor post that will be becoming vacant at the end of December due to the retirement of the current post holder.
- 4.7 The full time Chesterfield Auditor left on the 21st October and the vacant post has been recruited to, a start date is awaited pending the completion of Human Resources pre-employment checks. The promotion of a NEDDC Auditor to Senior Auditor has left another vacant Auditor post and Recruitment to this post is in progress.

5.0 Alternative options

5.1 The report is for information.

6.0 Implications for consideration – Financial and Value for Money

6.1 Internal audit reviews help to ensure that processes and controls are operating effectively thereby contributing to ensuring that value for money is obtained.

7.0 Implications for consideration – Legal

7.1 The core work of internal audit is derived from the statutory responsibility under the Accounts and Audit Regulations 2015 which requires the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.

8.0 Implications for consideration – Human Resources

8.1 None

9.0 Implications for consideration – Council Plan

9.1 Audit reviews help to ensure that the council’s resources and priorities are focused on achieving the objectives within the council plan.

10.0 Implications for consideration – Climate Change

10.1 Whilst there are not considered to be any direct climate change impacts in relation to this report, sound internal control, governance and risk management arrangements will support the achievement of the Council’s objectives.

11.0 Implications for consideration – Equality and Diversity

11.1 None

12.0 Implications for consideration – Risk Management

12.1 Regular audit reviews help to ensure that risk is appropriately managed.

Decision information

Key decision number	N/A
Wards affected	None

Document information

Report author	
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Background documents	
None	
Appendices to the report	
Appendix 1	Reports issued in respect of the 2022/23 Internal Audit Plan October 2022
Appendix 2	Progress update on the 2022/23 Internal Audit Plan