

Report to: **Audit Committee**

Date: **28 March 2024**

By: **Chief Operating Officer**

Title of report: **Internal Audit Progress Report – Quarter 3 (01/10/23 – 31/12/23)**

Purpose of report: **To provide Members with an update on all internal audit and counter fraud activity completed during the quarter, including a summary of all key findings. To also provide an update on the performance of the internal audit service during the period.**

RECOMMENDATIONS: Committee Members are recommended to:

Note the report and consider any further action required in response to the issues raised.

1. Background

1.1 This progress report covers work completed between 1 October 2023 and 31 December 2023.

2. Supporting Information

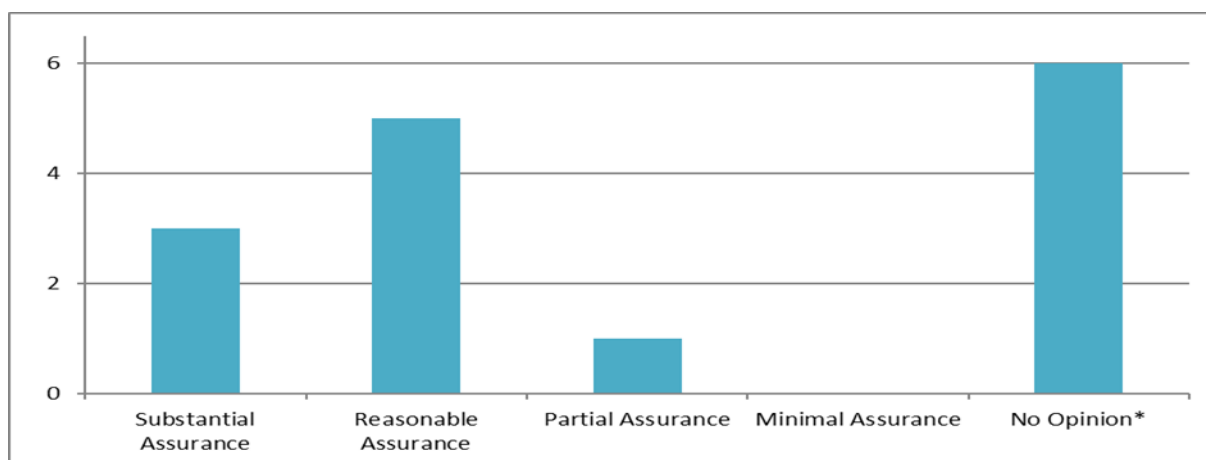
2.1 The current annual plan for internal audit is contained within the Internal Audit Strategy and Annual Plan 2023-24 which was approved by Audit Committee on 31 March 2023.

3. Conclusion and Recommendations

3.1 Key audit findings from final reports issued during Quarter 3 are summarised in Annexe A.

3.2 Overall, of the 9 audits finalised during the quarter in which a formal audit opinion was given, 3 received an audit opinion of ‘substantial assurance’, 5 received ‘reasonable assurance’ (1 of which was a school) and 1 received an opinion of ‘partial assurance’ (relating to the audit of Supplier Failure). There were no ‘minimal opinions’.

Graph to show assurance levels of formal audits completed in Quarter 3



*No opinion (6 areas) – typically, this tends to be proactive advice and support activity where, due to the advisory nature of the audit work, provision of formal assurance-based opinions is not appropriate. It also includes grant certification work.

3.3 Although the same range of internal audit opinions is issued for all audit assignments (where an opinion is relevant), it is necessary to also consider the level of risk associated with each area under review when drawing an opinion on the Council's overall control environment. **Taking into account these considerations, the Chief Internal Auditor continues to be able to provide assurance that the Council has in place an effective framework of governance, risk management and internal control.**

3.4 The overall conclusion above has, therefore, been drawn based on all audit work completed in the year to date and considers the management response to audit findings and the level of progress in subsequent implementation. As at the end of the quarter, 100% of high priority actions had been implemented.

3.5 Progress against performance targets (focussing on a range of areas relating to the internal audit service) can also be found in Annexe A (section 5). All of these are rated as green and on track.

ROS PARKER
Chief Operating Officer

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BACKGROUND DOCUMENTS:

Internal Audit Strategy and Annual Plan 2023/24