



GOVERNANCE AND AUDIT COMMITTEE – 7TH NOVEMBER 2023

SUBJECT: INTERNAL AUDIT SERVICES – UPDATE ON PROGRESS 2023/24

REPORT BY: ACTING INTERNAL AUDIT MANAGER

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1. PURPOSE OF REPORT

- 1.1 To provide Members of the Governance and Audit Committee with information on progress being made against the audit plan and other unplanned work to date.

2. SUMMARY

- 2.1 The report provides details of the progress made against the Internal Audit Annual Plan 2023/24 which was presented to the Governance and Audit Committee in April 2023. The original planned audits by quarter presented to the Committee are shown in Appendix 1.
- 2.2 The Public Sector Internal Audit Standards (PSIAS) require that an annual plan is prepared to ensure that there is an effective and efficient use of audit resources which are directed to address areas of risk. This also provides assurance for management as part of the Annual Governance Statement (AGS).
- 2.3 The plan is a forecast taking account of known risks and resources and as in previous years the plan may be subject to change if there are changes in resources or new risks identified. Audits may therefore be reprioritised, or additional unplanned audits undertaken.
- 2.4 The status of all current audits is shown in Appendices 2 and 3, including audit opinions where these have been agreed and issued.

3. RECOMMENDATIONS

- 3.1 The Governance and Audit Committee is asked to note the content of the report.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that the Authority is continually improving its governance, anti-fraud, and

security arrangements and that the Governance and Audit Committee is briefed on progress against the Internal Audit Plan.

5. THE REPORT

- 5.1 In accordance with the Public Sector Internal Audit Standards (PSIAS), the Acting Internal Audit Manager is responsible for developing a risk-based annual audit plan. Within the Standards there is also a requirement to review and adjust the plan, as necessary, in response to changes in the Council's business, risks, operations, programs, systems, controls, and resources.
- 5.2 The Acting Internal Audit Manager must also ensure that Internal Audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan.
- 5.3 The 2023/24 Internal Audit plan was submitted to the Governance and Audit Committee for approval in April 2023. The plan outlined estimated staffing resources and a summary of audits that had been identified by a combination of known audit commitments, Head or Service and Director requests, and other risk assessments.
- 5.4 Since the plan was created there have been some unforeseen issues such as bereavement and sickness absences that have impacted the auditor resource available. However the majority of the audits planned in the first half of the year have been started.
- 5.5 In addition, resource has been deployed to support the UK Government Additional Fuel Scheme grant payments in the early part of the year, and more recently to support elements of the Mobilising Team Caerphilly Transformation Programme. Any reduction in resource has an impact on the planned outputs for the team.
- 5.6 As in prior years there were a number of incomplete audits brought forward from the 2022/23 financial year, which were required to be progressed to completion in the first quarter of 2023/24. These are shown in Appendix 2 together with their current status and audit opinion.
- 5.7 As in prior years the plan may be flexed, and audits reprioritised, or additional unplanned audits undertaken as Directors and Service Managers become aware of new operational risks or other service priorities, and priority will be given to any new or emerging risk areas.
- 5.8 As a result there has been a number of changes to the original plan . Some unplanned work has been undertaken and a small number of school audits have been rearranged to later in the year at the request of the Heads due to Estyn visits. Also a small number of audits have been rescheduled due to the impact of staff absences on staff resources. There will therefore be an impact on audits in the third and fourth quarter, and this will be managed in line with available resources and risk prioritisation, but the intention is to continue with the current plan in the main with some rescheduling where required
- 5.9 Appendix 3 shows the status of each audit started in 2023/24, the type of audit, and for completed audits the opinion that was issued.
- 5.10 The appendices illustrate the progress that has been made in completing all outstanding audits from 2022/23 and the status of audits that have been planned or started. Those audits in progress will be completed during the remainder of 2023/24

together with the audits planned for further into 2023/24.

5.11 **Conclusion**

The report informs the Governance and Audit Committee on the status of audit work performed to date. This information supports the Committee in their determination of assurance forming an essential part of the governance framework, and the Committee is asked to note this report.

6. **ASSUMPTIONS**

6.1 It is assumed that sufficient resource will be available to complete planned audits for the remainder of the financial year.

7. **SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

7.1 This report does not relate to the development of a policy, strategy, practice, or project, so an Integrated Impact Assessment is not required.

8. **FINANCIAL IMPLICATIONS**

8.1 There are no direct financial implications arising from this report.

9. **PERSONNEL IMPLICATIONS**

9.1 There are no direct personnel implications arising from this report.

10. **CONSULTATIONS**

10.1 All comments have been reflected in this report.

11. **STATUTORY POWER**

11.1 Local Government and Elections Act (Wales) 2021

Author: D Gronow Acting Internal Audit Manager

Consultees: C Harrhy Chief Executive
R Edmunds Corporate Director for Education and Corporate Services
S Harris Head of Financial Services and S151 Officer

Appendices:

Appendix 1 Audits planned by quarter 2023/24 (original audit plan)
Appendix 2 Status of audit work brought forward from the 2022/23 financial year
Appendix 3 Status of 2023/24 Audit work