

Committee Report

Committee: Audit Committee

Meeting or Proposed Decision Date – 30 January
2025

Key Decision: No



Progress Report of the 2024-25 Internal Audit Plan

Executive Member(s): Cllr Liz Leyshon – Deputy Leader of the Council and Lead Member for Resources and Performance

Local Member(s) and Division(s) affected: All

Executive Director: Maria G. Christofi, Interim Chief Finance Officer (Section 151 Officer)

Executive Summary

This report provides an update on Internal Audit activity since the last meeting, including the outcomes of completed Internal Audit work, especially where there is limited or no assurance over the governance, or risk management, or control arrangements of those activities reviewed.

Recommendation

Members of the Audit Committee are asked to note the position of the 2024-25 Internal Audit Plan and consider any significant governance, risk and control weaknesses identified (See Attached Appendix – SWAP Progress Plan Update Report 2024-25).

Reason for Proposal

As per good governance and contained within the Audit Committee Terms of Reference, the Audit Committee is required to oversee Internal Audit Work to

understand internal audit coverage within the organisation and any key governance, risk or internal control weaknesses identified by Internal Audit. This provides independent assurance to the Audit Committee to assist in its assurance requirement to Full Council.

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Background and purpose of report

1. Internal audit provides independent and objective assurance and advice about the council's operations. It helps the organisation to achieve its overall objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control and governance processes.
2. The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards. These include the Public Sector Internal Audit Standards (PSIAS), CIPFA guidance on the application of those standards in Local Government and the CIPFA Statement on the role of the Head of Internal Audit.
3. In accordance with the PSIAS, the Head of Internal Audit is required to report progress against the internal audit plan (the work programme) agreed by the Audit Committee, and to identify any emerging issues which need to be brought to the attention of the committee.
4. The internal audit work programme was agreed by this committee in March 2024. The plan is flexible in nature and work is being kept under review to ensure that audit resources are deployed to the areas of greatest risk and importance to the Council.

Summary of Recommendations tracking

5. Within the attached SWAP Update report is a summary table of the current position with regards to P1 and P2 recommendations by directorate. Details of all P1 recommendations are summarised in the SWAP Report at Appendix E. The following table summarises the movement in the position of recommendations since quarter 3's update to the committee:

	Number outstanding November 2024 (overdue and not yet due)	Number outstanding January 2025 (overdue and not yet due)
Priority 1	23	19
Priority 2	111	115
Total	134	134

Links to Council Plan and Medium-Term Financial Plan

6. The 2024-25 Annual Internal Audit Plan is to provide independent and objective assurance on SC's Internal Control Environment. This work will support the Annual Governance Statement.
7. Delivery of the corporate objectives requires strong governance and risk management and effective internal controls. The Internal Audit Plan seeks to provide independent and objective assurance on matters relating to governance, risk and control processes that ultimately ensures delivery of statutory services and corporate aims and objectives.

Financial and Risk Implications

8. There are no direct financial implications associated with the recommendation.
9. Any large organisation needs to have well-established and systematic risk management framework in place to identify and mitigate the risks it may face. SC has a risk management framework, and within that, individual internal audit reports deal with the specific risk issues that arise from the findings. These are translated into mitigating actions and timetable for management to implement. Areas of specific weakness and risk are flagged within the attached SWAP Internal Audit Progress Report 2024-25. Audit coverage against strategic risks is covered on page 3 of the attached SWAP report.

Background Papers

10. The following papers previously reported to the Audit Committee provide background and relevant information:
 - SWAP Internal Audit Plan 2024-25 as reported SC Audit Committee March 2024
 - SWAP Internal Audit Plan Progress Update Report - August 2024

- SWAP Internal Audit Plan Progress Update Report - November 2024

Appendices

Appendix A – SWAP Internal Audit Progress Report 2024-25

Report assurance checklist ahead of report publication (for Audit, Executive, Full Council and Scrutiny Committees)

	Officer Name	Date Completed
Legal & Governance Implications	Jill Byron	23.01.25
Finance & Procurement	Nicola Hix	22.01.25
Workforce (*)	-	Not applicable
Asset Management (*)	-	Not applicable
Executive Director	Maria G. Christofi	22.01.25
Executive Lead Member	Liz Leyshon	22.01.25
Consulted:	Councillor Name	
Local Division Members	List local members	
Opposition Spokesperson(s)	Relevant Opposition Spokesperson	
Relevant Scrutiny Chair(s)	Relevant Chair	

Note:

Directors may nominate additional officers to act on their behalf (*) – these areas only need to be consulted on proposals if the proposals have workforce or asset management implications.

Reports will not be published if assurance checklist has not been adequately completed – report author to liaise with Democratic Services well ahead of publication deadline.