


Agenda Item No:	10	
Committee:	Audit and Risk Management	
Date:	24 July 2023	
Report Title:	Internal Audit Plan 2023-24 Progress Report Q1	

1 Purpose / Summary

- To report progress against the Internal Audit Plan 2023-24 for the period 1 April 2023 until 30 June 2023 and the resulting level of assurance from the planned work undertaken.
- To provide an update to members on the resourcing issues of the Internal Audit team.

2 Key issues

- The Council's Internal Audit Plan is produced on an annual basis. It is an estimate of the work that can be performed over the financial year. Potential areas of the Council for audit are prioritised based on a risk assessment, enabling the use of Internal Audit resources to be targeted at areas of emerging corporate importance and risk.
- The format of the plan reflects the Public Sector Internal Audit Standards (PSIAS) which were introduced in April 2016 and applicable from April 2017. It also incorporates the governance and strategic management arrangements of Internal Audit resources.
- Performance Standard 2060 of the PSIAS requires the Internal Audit Manager to report to the Committee on the Internal Audit activity and performance relative to this Plan.
- Audit and Risk Management Committee approved the Internal Audit Plan 2023-24 on 20th March 2023.
- Members of the Audit and Risk Management Committee are keen to receive proactive performance reporting in relation to progress against the Internal Audit plan on a quarterly basis.
- Proactive quarterly monitoring of the Internal Audit plan will enable the Committee to understand the audit activity which has successfully taken place and the associated assurance level.

3 Recommendations

- For Members of Audit and Risk Management Committee to consider and note the activity and performance of the Internal Audit function.

Wards Affected	All
Forward Plan Reference	N/A
Portfolio Holder(s)	Councillor Kim French - Audit and Risk Management Committee Chairman
Report Originator(s)	David Thacker – Interim Internal Audit Manager
Contact Officer(s)	Amy Brown – Assistant Director, Legal and Governance abrown@fenland.gov.uk 01354 622450 Peter Catchpole - Corporate Director & CFO pcatchpole@fenland.gov.uk 01354 622201 David Thacker – Interim Internal Audit Manager
Background Paper(s)	Annual Risk Based Internal Audit Plan 2023-24 Internal Audit Outturn and Quality Assurance Review 2022-23

1 Background / introduction

- 1.1 This report includes details of the Internal Audit activity undertaken for the period 1 April 2023 to 30 June 2023.
- 1.2 The annual Internal Audit Plan is formulated in advance, following an assessment of risks inherent to services and systems of the Council based on Internal Audit and Management knowledge at that time. During the period that follows, changes in the control environment may occur due to, for example:
- introduction of new legislation/regulations;
 - changes of staff;
 - changes in software;
 - changes in procedures and processes; and
 - changes in service demand.
- 1.3 In respect of resources, an interim Internal Audit Manager was appointed and started on 15 May 2023 on a six-month contract. The appointment has assisted with the management of the Internal Audit team and includes conducting a revision of the Audit Plan 2023-24, which will be presented to the Committee in September.
- 1.4 In conjunction with revising the current Audit Plan 2023-24, the interim Internal Audit Manager will also assess and report on any additional resource requirements necessary to ensure there is sufficient capacity within the team to achieve the desired outcomes. The Council is currently advertising for a replacement Head of Audit and it is expected that interviews will take place in August. Furthermore, service leads have and continue to look to identify supplementary delivery options to assist with more technically 'specialist' audits and/or where necessary to further supplement the work of the team. A further vacancy will arise with effect from the beginning of August and the options for replacing this role will be considered in conjunction with the ongoing recruitment exercise. It is anticipated that there will therefore be a short period of reduced activity during August however, this will provide an opportunity for the interim Internal Audit Manager to focus on the overall needs of the service going forward.

2 Monitoring

- 2.1 On completion of each audit a formal report is issued to the relevant Service Manager and Corporate Director. A copy is also sent to the Corporate Director – Finance (S151 Officer). Each report contains a management action plan, with target dates, that have been agreed with managers to address any observations and recommendations raised by the Internal Auditor. Progress on recommendations is monitored on a quarterly basis.
- 2.2 The following audits are currently being finalised or ongoing and will be reported to the committee in future progress reports:
- Housing Options – draft report to be discussed with Management.
 - Public Health Funerals – draft report to be discussed with Management.
 - Licences – Other – fieldwork completed. Report being drafted.
 - Licences – Animal Welfare – fieldwork completed. Report being drafted.
 - Trading Operations – Cemetery Income – in progress.

- 2.3 In the first quarter of the year other work that the internal audit team have been involved to assist with and to provide additional assurance are detailed below:
- Care and Repair Disabled Facilities Grants declarations
 - National Fraud Initiative work
 - Risk Management Group
 - Major Project support and advice
 - Follow up reviews on outstanding recommendations