

Internal Audit Progress Report

To: Audit & Accounts Committee

Meeting Date: 6th February 2024

From: Mairead Claydon, Head of Internal Audit

Executive Summary: The purpose of the report is to provide an update to the Audit & Accounts Committee on the main areas of internal audit coverage for the period to 31st December 2023.

Recommendation: Audit & Accounts Committee is requested to:

- (a) consider the contents of this report; and to
- (b) review and comment on the proposed revised Internal Audit Plan for 2023/24, outlined at Section 6 of the report.

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1. Background

- 1.1 The role of Internal Audit is to provide the Audit & Accounts Committee and Management independent assurance on the effectiveness of the controls in place to ensure that the Council's objectives are achieved. Internal Audit coverage is planned so that the focus is upon those areas and risks which will most impact upon the Council's ability to achieve these objectives.
- 1.2 The annual Audit Plan is split out into two elements: the 'core' plan, comprising key areas of assurance that are reviewed every year and audit support work (e.g. to working parties or panels) which is ongoing throughout the year; and the 'flexible' plan, i.e. the areas of audit coverage that vary from year to year, with planned coverage based on a risk assessment process.
- 1.3 More information on this approach is available at Section 6 of the main report, which presents the proposed flexible Audit Plan for 2023/24.

2. Main Issues

2.1 Outstanding Audit actions

- 2.1.1 Annex B details 82 outstanding audit agreed actions as at 31st December 2023. This is a reduction from 96 outstanding actions in our previous report to Committee. There are no outstanding 'essential' actions. Narrative updates on actions where the current target date is after 31st December have not been followed-up by Internal Audit in this reporting cycle and will be reported in the next Progress Report.
- 2.1.2 This is the first reporting cycle where the implementation of actions has been monitored and reported within Directorates, with Executive Assistants maintaining a list of audit actions and updates and requesting monthly updates which can be reviewed at DMTs. This will allow the Internal Audit team to focus resource on reviewing the evidence for implementation of actions, once they are reported to be complete.
- 2.1.3 See Section 7 of the report for more details.

2.2 Investigations Caseload

- 2.2.1 Section 9 of the Progress Report summarises the open whistleblowing cases currently under review by the Internal Audit Team, as well as updates on other counter-fraud work and the National Fraud Initiative.
- 2.2.2 A number of investigation reports have been issued since the previous Internal Audit Progress Report in December, and summaries of these investigations are included in Sections 9.4 – 9.6.

2.3 Audit Forward Planning

- 2.3.1 Section 6 of the Progress Report provides the revised and updated Internal Audit Plan for 2023/24, for comment and challenge by Audit & Accounts Committee. The flexible plan shown below is largely the same as that brought to the December Committee meeting, with some minor amendments.
- 2.3.2 A full process of revising and updating the Audit Plan for 2024/5 is being undertaken throughout the final quarter of 2023/4, including consultation with key officers and Directors, and the final proposed 2024/5 Internal Audit Plan will be presented to the March 2024 meeting of the Audit & Accounts Committee.

3. Significant Implications

- 3.1 This report is an information-only update and there are no significant implications to highlight.

4. Source Documents

- 4.1 None