

Internal Audit Progress Report

To: Audit & Accounts Committee

Meeting Date: 28th July 2023

From: Mairead Claydon, Head of Internal Audit and Risk Management

Electoral division(s): All

Outcome: 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. The outcome of this report is to provide an update on the main areas of audit coverage for the period to 30th June 2023 and to present a revised Internal Audit Plan 2023/24.

Recommendation: Audit & Accounts Committee is requested to review and comment on the proposed revised Internal Audit Plan for 2023/24, outlined at Section 6 of the report.

Officer contact:

Name: Mairead Claydon
Post: Head of Internal Audit & Risk Management
Email: Mairead.Claydon@cambridgeshire.gov.uk
Tel: 01223 715542

Member contacts:

Names: Councillors Wilson and Gay
Post: Chair/Vice-Chair
Email: graham.wilson@cambridgeshire.gov.uk;
nick.gay@cambridgeshire.gov.uk
Tel: 01223 699831

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. The Plan has been significantly revised to reflect changes in the risk environment since its original drafting in February 2023, and also to identify a minimum required level of audit coverage due to the current resource within the Internal Audit team.

2. Outstanding Audit Actions

- 2.1 Annex B details all 61 outstanding audit recommendations as at 30th June 2023. Narrative updates on actions where the current target date is after 30th June have not been followed-up by Internal Audit in this reporting cycle and will be reported in the next Progress Report.
- 2.2 There are two current outstanding 'Essential' recommendations, both within IT & Digital Services. These recommendations relate to the Council re-obtaining Public Services Network (PSN) certification and implementing the ability to urgently remove IT access out-of-hours.
- 2.3 See Section 7 of the report for more details.

3. Investigations Caseload

- 3.1 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 a recent investigation into interims.

4. Outstanding Audit Actions

- 4.1 As set out at Section 10 of the Progress Report, the delivery of the internal audit reviews of the Payroll, Pensions and ERP IT Access Controls by colleagues at West Northamptonshire Council (WNC) has been delayed. WNC has confirmed that the audits will be completed in July 2023.

3. Alignment with ambitions

- 3.1 Net zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate changes
- 3.2 Travel across the county is safer and more environmentally sustainable
- 3.3 Health inequalities are reduced
- 3.4 People enjoy healthy, safe, and independent lives through timely support that is most suited to their needs
- 3.5 Helping people out of poverty and income inequality
- 3.6 Places and communities prosper because they have a resilient and inclusive economy, access to good quality public services and social justice is prioritised
- 3.7 Children and young people have opportunities to thrive

5. Significant Implications

5.1 Resource Implications

There are no significant implications within this category.

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

5.3 Statutory, Legal and Risk Implications

The Accounts & Audit (England) Regulations 2015 require the authority to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. This report gives an overview of the Council's Internal Audit activity to date in 2023/24 and the forward plan for internal audit to the end of the financial year.

5.4 Equality and Diversity Implications

There are no significant implications within this category

5.5 Engagement and Communications Implications

There are no significant implications within this category

5.6 Localism and Local Member Involvement

There are no significant implications within this category

5.7 Public Health Implications

There are no significant implications in this category

5.8 Environment and Climate Change Implications on Priority Areas

There are no significant implications in this category

Have the resource implications been cleared by Finance? Not applicable

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement? Not applicable

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal Services?
Not applicable

Have the equality and diversity implications been cleared by your EqIA Super User?
Not applicable

Have any engagement and communication implications been cleared by Communications?
Not applicable

Have any localism and Local Member involvement issues been cleared by your Service Contact? Not applicable

Have any Public Health implications been cleared by Public Health?
Not applicable

6. Source documents

6.1 Corporate Risk Register (copy provided as Annex A to this document)

6.2 Annual Governance Statement
[Statement of accounts - Cambridgeshire County Council](#)