

Report to: **Audit and Governance Committee**
Date: **24 November 2022**
Title: **Update on Progress on the 2022-23 Internal Audit Plan**
Portfolio Area: **Cllr J Pearce – Leader of the Council**
Wards Affected: **All**
Urgent Decision: **N** Approval and clearance obtained: **Y**

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Recommendations:

It is recommended that:

The progress made against the 2022/23 internal audit plan, and any key issues arising are noted and approved.

1. Executive summary

The purpose of this report is to inform members of the principal activities and findings of the Council's Internal Audit team.

2. Background

The Audit and Governance Committee, under its Terms of Reference contained in South Hams District Council's Constitution, is required to monitor, and review the internal audit programme and findings, and the associated progress and performance of Internal Audit.

The Accounts and Audit (Amendment) (England) Regulations 2015 require that all Authorities need to carry out an annual review of the effectiveness of their internal audit system and need to incorporate the results of that review into their Annual Governance Statement (AGS), published with the annual Statement of Accounts.

The purpose and role of Internal Audit, and of the related Council responsibilities is also contained in the Internal Audit Charter and Strategy.

3. Outcomes/outputs

Members will note the assurances provided on the audited areas and seek management assurance that identified weaknesses are being addressed.

4. Options available and consideration of risk

No alternative operation has been considered as the function of internal audit is a requirement of Corporate Governance.

5. Proposed Way Forward

That Audit and Governance Committee notes the results of Internal Audit work (Appendix A) undertaken during the period.

6. Implications

| Implications | Relevant to proposals Y/N | Details and proposed measures to address |
|---|---------------------------|--|
| Legal/Governance | Y | <p>The Accounts and Audit Regulations 2015 issued by the Secretary of State require every local 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.</p> <p>The work of the internal audit service assists the Council in maintaining high standards of public accountability and probity in the use of public funds. The service has a role in promoting robust service planning, performance monitoring and review throughout the organisation, together with ensuring compliance with the Council's statutory obligations.</p> |
| Financial | Y | <p>There are no additional or new financial implications arising from this report. The cost of the internal audit team is in line with budget expectations.</p> |
| Risk | Y | <p>The work of the internal audit service is an intrinsic element of the Council's overall corporate governance, risk management and internal control framework.</p> |
| Supporting Corporate Strategy | Y | <p>This Progress Report and the work of Internal Audit supports all of the Council's corporate strategy themes.</p> |
| Climate Change – Carbon / Biodiversity Impact | Y | <p>None directly arising from this report. The Internal Audit function, managed by Devon Audit Partnership is mindful of the need to minimise travel in completing the internal audit plan. Where possible, desk-top review of documents, and the use of electronic records, is used to support the audit process, although it is</p> |

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|--|---|--|
| | | inevitable that on-site verification may be required at times. The team use an audit management system (Mki) which enables managerial review to take place remotely, thus also saving on the need for travel. |
| Comprehensive Impact Assessment Implications | | |
| Equality and Diversity | N | There are no specific equality and diversity issues arising from this report. |
| Safeguarding | N | There are no specific safeguarding issues arising from this report. |
| Community Safety, Crime and Disorder | N | There are no specific community safety, crime and disorder issues arising from this report. |
| Health, Safety and Wellbeing | N | There are no specific health, safety and wellbeing issues arising from this report. |
| Other implications | N | There are no other specific implications arising from this report. |

Supporting Information

Appendices:

Appendix A – Internal Audit Progress Report

Background Papers:

Internal Audit Plan 2022/23 as approved by Audit and Governance Committee.

Approval and clearance of report

| Process checklist | Completed |
|--|------------------|
| Portfolio Holder briefed | Yes |
| SLT Rep briefed | Yes |
| Relevant Exec Director sign off (draft) | Yes |
| Data protection issues considered | Yes |
| If exempt information, public (part 1) report also drafted. (Committee/Scrutiny) | N/A |