

# Harborough District Council

## Report to Audit & Standards Committee Meeting of 25 October 2023



<b>Title:</b>	Internal Audit - 2023/24 Progress and Performance Update
<b>Status:</b>	Public
<b>Key Decision:</b>	No
<b>Report Author:</b>	Covering Report: Clive Mason; Interim Deputy Chief Executive (& s.151 Officer) <i>On behalf of Rachel Ashley-Caunt, Chief Internal Auditor, North Northamptonshire Council</i>
<b>Lead Councillor:</b>	Not applicable
<b>Appendices:</b>	1. Appendix 1 – Internal Audit Progress Report (Update) October 2023 2. Appendix 2 – Overdue Recommendations

### Summary

- i. The Audit & Standards Committee is scheduled to meet four times a year, at each meeting Internal Audit reports its performance in respect of:
  - **the audit plan**; the assignments for the first quarter of the financial year are progressing well;
  - **any recommended amendments to the audit plan**; no such amendments are noted in this report; and
  - **outcomes of finalised audit assignments**; which are reported to the committee as the reports and action plans are agreed by officers.
- ii. In addition to performance, Internal Audit also reports on outstanding recommendations/ actions. There are currently 17 actions that have not been implemented by the agreed implementation deadline; seven of which are medium-priority of which three are over 3 months over their original implementation date.

### Recommendations

That members:

1. Receive the Internal Audit – 2023/24 Progress Report (Appendix A) and Overdue Recommendations (Appendix B) and comments as it considers necessary.

## Reasons for Recommendations

- i. To support the members of this committee in their roles as “those charged with governance” in ensuring good governance, strong financial management and an effective internal control environment. Additionally, to oversee the independence, objectivity, performance, and professionalism of internal audit.

## 1. Purpose of Report

- 1.1 To update Members on progress against the 2023/24 internal audit plan, key findings of audits completed and the status of outstanding recommendations.

## 2. Background

### Internal Audit

- 2.1 The Council’s internal audit service is provided, under delegation, by North Northamptonshire Council. The Audit & Standards Committee (ASC) agreed a new delegation at the meeting held on 2<sup>nd</sup> February 2022 (link to report [here](#)). They are commissioned to provide 235 days to deliver the 2023/24 Annual Audit Plan, which was approved by ASC on the 15<sup>th</sup> March 2023 (link to report [here](#)).

## 3. Details

- 3.1 The following paragraphs summarise the main items covered within the Internal Audit Progress Report (Appendix 1) and provide commentary in respect of overdue recommendations (Appendix 2).

### Internal Audit Progress 2023/24

#### Audit Plan

- 3.2 The Internal Audit team are delivering against the audit plan that was approved in March 2023 and 62% of the audit plan has either been completed to at least draft report stage or is currently in progress. Fieldwork is complete or underway is summarised in Table 1 below:

Completion Status of 2023/24 Quarter Two Audit Assignments		Table 1
Audit Theme	Audit Assignment	Commentary

Corporate governance and counter fraud	National Fraud Initiative (NFI)	In-progress, to provide support in the oversight of data uploads and investigation of data matches.
Key controls and policies	Cyber Security	Fieldwork underway
	Information Governance	Fieldwork underway
	Managing Major Projects	Final report
Corporate objective; Healthy Lives	Leisure services project (embedded assurance)	Fieldwork underway
Corporate objective; Place and Community	Homelessness and temporary accommodation	Draft report issued
	Local plan development project	Fieldwork underway
	Climate emergency action plan	Planning
Corporate objective; Economy	Enforcement policy compliance	Final report

3.3 The Chief Internal Auditor has confirmed that the Audit Plan is on target to be achieved within the allocated 235 days.

### Customer Satisfaction

3.4 At the completion of each audit assignment, the client is asked to complete a customer satisfaction questionnaire; each questionnaire covers four specific areas. This year, to date, five questionnaires have been returned and the results are summarised in Table 2 below:

Results of Customer Satisfaction Questionnaires				Table 2
Aspect of Audit Assignment	Not applicable	Outstanding	Good	Satisfactory/ Poor
Design of Assignment	-	3	2	-
Communication during Assignment	1	3	1	-
Quality of Reporting	-	2	3	-
Quality of Recommendations	-	1	4	-
<b>Total</b>	<b>1</b>	<b>9</b>	<b>10</b>	<b>-</b>

### Outstanding Recommendations

3.5 Since the last report to committee, five actions have been implemented and 17 are due but to be confirmed as implemented. Of the 17, seven are of medium priority and are detailed in Appendix 2. Of the seven:

- four were due to have been completed within the last 3 months, and
- three are over 3 months since their implementation date.
- all recommendations have agreed “revised” implementation dates with Internal Audit.

## **3 Implications of Decisions**

### **Corporate Priorities**

3.6 The Council provides a broad range of services to its customers. Some of these services are provided to meet political (corporate) priorities and others to support those services that directly deliver. An independent Internal Audit service seeks to test the internal controls of a broad range of council services. In this way the Council can gain assurance on the adequacy of its regulatory environment and adherence to good governance. Through this independent assessment those charged with governance and respective statutory officers can be assured that services have process and practices in place so that corporate priorities are achieved; or where there are shortcomings that internal controls are amended to help minimise risk.

### **Consultation**

- 3.7 This report and opinion are an independent assessment of the Councils overall control framework. In the evaluation of each audit assignment respective teams would have been consulted that has enabled the production of this assessment.
- 3.8 The Chief Internal Auditor has consulted with the Councils s.151 in respect of performance and senior managers for individual audit assignments. The Audit and Standards Committee were consulted in respect of preparing the 2023/24 Audit Plan and approved the plan in March 2023.

### **Financial**

3.9 There are no direct financial implications arising from this report.

### **Legal**

3.10 There are no direct legal implications arising from this report.

### **Environmental Implications**

3.11 There are no direct environmental implications arising from this report.

### **Risk Management**

3.12 The report provides those charged with governance assurance on the internal control framework. This has been determined based on a risk approach to audit planning, service review and management response.

### **Equalities Impact**

3.13 The report does not address specific equalities issues. It is an overall assessment of all aspects of service delivery.

## **Data Protection**

3.14 There are no direct data protection implications arising from the report.

## **Alternative Options Considered**

3.15 Not applicable in this context.

## **Background papers**

5.1 Not applicable in this context.