

ITEM NO:

TITLE	2023/24 Internal Audit and Investigation Plan - Quarter 3 Progress Update to 31 December 2023
FOR CONSIDERATION BY	Audit Committee on 7 February 2024
WARD	None specific
LEAD OFFICER	Catherine Hickman, Head of Internal Audit and Investigation

OUTCOME / BENEFITS TO THE COMMUNITY

Public assurance about the Council's risk, control and governance environment.

RECOMMENDATION

The Audit Committee (AC) is asked to review and scrutinise the 2023/24 Internal Audit and Investigation Quarter 3 Progress Report (activity to 31 December 2023).

SUMMARY OF REPORT

The AC approved the 2023/24 Internal Audit and Investigation Plan at its meeting on 30 March 2023. Quarterly reports are provided to AC to update on progress in achieving the Plan throughout the year.

The report at Appendix A, with supporting Appendices A(I) and A(II), is provided for AC to review and scrutinise the progress of work against the 2023/24 Internal Audit and Investigation Plan to 31 December 2023.

This recommendation is being made to ensure that the Internal Audit and Investigation Service (IAIS) remains flexible and agile in planning its work to assist the Council in meeting its statutory requirements and the requirements of the AC's Terms of Reference. In addition, to ensure an ongoing focus on key areas that will feed into the Head of Internal Audit's Annual opinion on the council's internal control, risk management and governance framework.

The Council's 2023/24 Internal Audit and Investigation Plan details the proposed Internal Audit and Investigation activity and seeks to:

- provide key stakeholders with independent assurance that the risks within the Council's fundamental systems and processes are being effectively and efficiently managed.
- allow the Council to demonstrate that it is complying with the relevant legislation and applicable professional standards.
- demonstrate the Council's commitment to good governance; and
- set out that the Team's resources are being properly utilised.

The report: -

- Summarises the work of the Internal Audit and Investigation Service and status of the audits in the reporting period (to end December 2023).
- Key Corporate Risks covered.
- High Risk Concerns and Follow Up activity.
- Provides assurance that no less than satisfactory level of assurance has been identified in the period in respect of the audits completed.
- Provides results of Anti-Fraud activity.
- Outlines compliance with Public Sector Internal Audit Standards and the CIPFA Statement on the Role of the Head of Internal Audit.

2023/24 – Key Findings to date

The AC received a Quarter 2 Progress Report at its meeting on 29 November 2023 showing progress against the 2023/24 Internal Audit and Investigation Plan as at 30 September 2023. This report supplements that report with further work progress to 31 December 2023.

In this current period, the team is focused on a number of audits in progress. There have been no new audits finalised from the 2023/24 Plan where the audit assurance was less than level 2, i.e., internal controls “substantially complete and effective.”

In Quarter 1, one audit (Right to Buy Scheme) and a second audit in Quarter 2 (Information Governance) were given a Category 3 Audit Opinion and these were reported and discussed at the June and November AC meetings respectively.

Further quarterly update reports on progress on delivering the 2023/24 Internal Audit and Investigation Plan will be reported to the Committee in line with the Council’s reporting cycle.

The 2023/24 Work programme is based on the resources available to deliver internal audit activity and to be able to provide minimal assurance over key risk areas and provide the Head of Internal Audit Annual Audit Opinion at the end of the year on the Council’s internal control, risk management and governance processes. In order to inform that opinion, assurances will also be taken, where appropriate, from other assurance activity across the Council.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces unprecedented financial pressures as a result of; the longer term impact of the COVID-19 crisis, Brexit, the war in Ukraine and the general economic climate of rising prices and the increasing cost of debt. It is therefore imperative that Council resources are optimised and are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Nil	Yes	N/A
Next Financial Year (Year 2)	Nil	Yes	N/A
Following Financial Year (Year 3)	Nil	Yes	N/A

Other financial information relevant to the Recommendation/Decision

An effective internal audit and investigation's function mitigates financial and other risks associated with the Council achieving its objectives. Delivery of the Internal Audit programme is contained within the Medium-Term Financial Plan budget.

Cross-Council Implications (how does this decision impact on other Council services, including properties and priorities)

Internal Audit works across all areas of the Council – effective internal audit is one of the ways assurance is provided that the Council's key priorities and objectives will be achieved.

Public Sector Equality Duty

The Equality Act 2010 places a statutory duty on the council to ensure that when considering any new or reviewed strategy, policy, plan, project, service or procedure the impacts on particular groups, including those within the workforce and customer/public groups, have been considered. This report is a non-decision-making report providing an update on the work of internal audit and investigation.

Climate Emergency – This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030

This report has a positive impact on the climate emergency agenda, as it provides public assurance about the Council's risk, control and governance environment.

Reasons for considering the report in Part 2

Not applicable.

List of Background Papers

2023/24 Internal Audit & Investigation Plan (approved by AC 13 March 2023)
 2023/24 Internal Audit and Investigation Plan Quarter 1 Progress Report (to 30 June 2023)
 2023/23 Internal Audit and Investigation Plan Quarter 2 Progress Report (to 30 September 2023)

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