

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Finance & Audit Committee

Date: 26 September 2022

Reporting officer: James Larkin, Head of Internal Audit & Counter Fraud Shared Service (Chief Audit Executive)

Subject: Internal Audit Update Report

Purpose and summary of report:

To provide Members with an update on the work, outputs and performance of the Internal Audit Team for the period 1 April 2022 to 31 July 2022.

Recommendations:

1. Members approve the amendments to the agreed Q1-Q2 workplan as detailed in section 7 of appendix 2.

| Key Implications: | |
|------------------------------------|---|
| Item | Implications |
| Legal | The Accounts & Audit Regulations 2015 require local authorities 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. The Section 151 Officer of a local authority is responsible for establishing the internal audit service. Gravesham Borough Council has delegated this responsibility to the Section 151 Officer of Medway Council to deliver internal audit services through the Shared Service to both authorities. |
| Finance and Value for Money | An adequate and effective Internal Audit function provides the council with assurance on the proper, economic, efficient and effective use of council resources in delivery of services. The budgeted costs for the Internal Audit elements of the Shared Service are £385,401 with Gravesham's share of these costs being £138,744. |
| Corporate Plan | The work of the Internal Audit supports the council in achieving all of its objectives set out in the Corporate Plan but is particularly relevant to Objective #3 Progress. |
| Climate Change | There are no direct climate change implications to this report. |

1. Introduction

- 1.1 The Public Sector Internal Audit Standards (the Standards) require that: The chief audit executive must report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan. Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board.

2. Internal Audit Update Report

- 2.1 The report at Appendix 2 is the first of three updates to be produced during 2022-23; detailing the work undertaken by the Internal Audit Team between 01 April and 31 July and the progress made against the Q1-Q2 workplan.
- 2.2 While this update relates to progress against the agreed plan for Q1-Q2, the percentage outturns for plan delivery and plan underway, detailed in section 6, are based on the expected number of reviews to be undertaken during the full year with the projected resource available at the start of the year.
- 2.3 Section 7 of the report contains details of amendments to the agreed Q1-Q2 workplan, which are submitted to Members for approval.
- 2.4 Section eight of the update report includes details of actions that are more than six months overdue. Services have provided updates in relation to these actions and the reasons for delayed implementation. Revised implementation dates agreed by Management Team are detailed where appropriate.

3. Appendices

- 3.1 The following documents are to be published with the report:
- 3.2 Appendix 2: Internal Audit Update Report

4. Background Documents

- 4.1 There are no background documents.

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| Secondary Implications | |
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| Risk Assessment | This report, summarising the work of the Internal Audit team, provides a key source of assurance for the council on the adequacy and effectiveness of its internal control arrangements. |
| Data Protection Impact Assessment | <p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? A definition of each type of data can be found on the Information Commissioner’s Office website via the above links. No</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk. N/A</p> |
| Equality Impact Assessment | <p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. No</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p> |
| Crime and Disorder | The Internal Audit Team provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisations’ objectives. The work of the service combined with a sound internal control environment has a positive contribution to community safety in its broadest sense.. |
| Digital and website implications | The council’s performance management framework includes the publication of the outturns against the Performance Measures and Indicators in the Corporate Business Plan. The proportion of actions agreed with the Internal Audit Team to address control weaknesses that are implemented by Management is one of the council’s overall Performance Indicators and is therefore reported to the public via the council’s Annual Report published on the council’s website. |
| Safeguarding children and vulnerable adults | There are no direct safeguarding implications to this report. |