

## **AUDIT COMMITTEE**

**28 SEPTEMBER 2023**

### **INTERNAL AUDIT UPDATE 01 APRIL TO 31 AUGUST 2023**

Report from: James Larkin, Head of Audit & Counter Fraud Shared Service  
(Chief Audit Executive)

#### Summary

This report provides Members with an update on the work, outputs, and performance of the Internal Audit Team for the period 01 April to 31 August 2023.

#### 1. Recommendations

- 1.1. The Committee is recommended to note the outputs and performance against the Internal Audit Plan Q1-Q2 for Medway for the period 1 April to 31 August 2023 as detailed at Appendix 1.
- 1.2. The Committee is recommended to agree the revised implementation dates as detailed in Section 8 of Appendix 1.

#### 2. Budget and policy framework

- 2.1. Council delegates responsibility for the oversight and monitoring the effectiveness of the Audit and Counter Fraud Shared Service to the Audit Committee.

#### 3. Background

- 3.1. 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.

#### 4. Internal Audit Update Report

- 4.1. The report at Appendix 1 is the first of three updates to be produced during 2023-24; detailing the work undertaken by the Internal Audit Team between 01 April and 31 August and the progress made against the Q1-Q2 workplan.

- 4.2. 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 whole year with the projected resource available at the start of the year.
- 4.3. Section eight of the update report includes details of recommendations that are more than six months overdue. Services have provided updates in relation to these recommendations and the reasons for delayed implementation. Revised implementation dates have been provided for a number of these recommendations and Members' approval is sought to change the implementation dates accordingly.

## 5. Risk management

- 5.1. 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.

## 6. Climate change implications

- 6.1. There are no climate change implications in this report.

## 7. Financial implications

- 7.1. 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.

## 8. Legal implications

- 8.1. The Accounts and 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.

## Lead officer contact

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## Appendices

Appendix 1 – Internal Audit Update Report

## Background papers

None