

## **Audit Committee**

**10 January 2024**

### **Internal Audit Update 01 September to 30 November 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 September to 30 November 2023.

#### 1. Recommendations

- 1.1. The Committee is recommended to note the outputs and performance against the Internal Audit Plan for Medway for the period 1 September to 30 November 2023 as detailed at Appendix A.
- 1.2. The Committee is recommended to approve the revisions to the agreed internal audit plan for Q3-Q4.
- 1.3. The Committee is recommended to approve the revised implementation dates for actions detailed in section 8 of the report attached at appendix A.

#### 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 A is the second of three updates to be produced

during 2023-24; detailing the work undertaken by the Internal Audit Team between 01 September and 30 November and the progress made against the Q1-Q2 and Q3-Q4 workplans.

4.2. Section 7 of the report contains details of amendments to the agreed Q3-Q4 workplan, which are submitted to Members for approval.

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.

## 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. The budgeted costs for the Internal Audit elements of the Shared Service are £376,955 with Medway's share of these costs being £241,251.

## 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 A – Internal Audit Update Report

### Background papers

None