

Audit Committee

27 March 2024

Internal Audit Update 1 December 2023 to 31 January 2024

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 1 December 2023 to 31 January 2024.

1. Recommendations

- 1.1. The Committee is recommended to note the outputs and performance against the Internal Audit Plan for Medway for the period 01 December 2023 to 31 January 2024 as detailed at Appendix 1.
- 1.2. The Committee is recommended to approve the revision to the agreed internal audit plan for Q3-Q4 detailed in section seven 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 third and final update to be produced during 2023-24, ahead of the annual report; detailing the work undertaken by the Internal Audit Team between 01 December 2023 to 31 January 2024 and the progress made against the Q1-Q2 and Q3-Q4 workplans. Section seven of

the update contains details of an amendment to the agreed plan for Q3-Q4 in response to changes in the available resource. 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 have been requested for a number of these actions 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. 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 1 – Internal Audit Update Report

Background papers

None