

# Quarterly Internal Audit Update Report

<b>Governance &amp; Audit Committee</b>	4th November 2024
<b>Report Author</b>	Head of Internal Audit
<b>Portfolio Holder</b>	Cllr Rob Yates, Cabinet Member Corporate Services.
<b>Status</b>	For Decision
<b>Classification:</b>	Unrestricted
<b>Key Decision</b>	No
<b>Ward</b>	Not Applicable

## Purpose of the Report:

This report provides Members with a summary of the internal audit work completed by the East Kent Audit Partnership since the last Governance and Audit Committee meeting, together with details of the performance of the EKAP to the 30th June 2024.

## Recommendation(s):

1. That the report be received by Members.
2. That any changes to the agreed 2024-25 internal audit plans, resulting from changes in perceived risk, detailed at point 5.0 of Annex 1 of the attached report be approved.

## 1. Summary of Reasons

- 1.1 To update Members of the Governance and Audit Committee with a summary of the internal audit work completed by the East Kent Audit Partnership since the last Governance and Audit Committee meeting, together with details of the performance of the EKAP

## 2. Background

- 2.1 The East Kent Audit Partnership provides the internal audit service to Canterbury City, Dover, Folkestone and Hythe, and Thanet district councils.
- 2.2 An internal audit function is a requirement of s.151 of the Local Government Act 1972.

## 3. Relevant Issues

- 3.1 This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance and Audit Committee meeting, together with details of the performance of the EKAP to the 31st December 2023.
- 3.2 For each audit review, management has agreed a report, and where appropriate, an Action Plan detailing proposed actions and implementation dates relating to each recommendation. Reports continue to be issued in full to the relevant member of the Senior Management Team, as well as the manager for the service reviewed.
- 3.3 Follow-up reviews are performed at an appropriate time, according to the priority of the recommendations, timescales for implementation of any agreed actions, and the risk to the Council.
- 3.4 An Assurance Statement is given to each area reviewed. The assurance statements are linked to the potential level of risk, as currently portrayed in the Council's risk assessment process. The assurance rating given may be Substantial, Reasonable, Limited or No assurance.
- 3.5 Those services with either Limited or No Assurance are monitored, and brought back to Committee until a subsequent review shows sufficient improvement has been made to raise the level of Assurance to either Reasonable or Substantial. A list of those services currently with such levels of assurance is attached as Appendix 2 to the EKAP report.
- 3.6 The purpose of the Council's Governance and Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent review of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.
- 3.7 To assist the Committee meet its terms of reference with regard to the internal control environment an update report is regularly produced on the work of internal audit. The purpose of this report is to detail the summary findings of completed audit reports and follow-up reviews since the report was submitted to the last meeting of this Committee.
- 3.8 There have been six internal audit assignments completed during the period, which are summarised in the table in section 2 of the quarterly update report.
- 3.9 In addition two follow-up reviews have been completed during the period, which are detailed in section 3 of the quarterly update report.
- 3.10 For the three month period to 30th June 2024, 83.15 chargeable days were delivered against the target for the year of 348 days which equates to 23.89% plan completion.

## **4. Alternative Options**

- 4.1 The report is for noting

## **5. Consultation**

5.1 The report is for noting.

## 6. Corporate Implications

### 6.1 Financial and Resources

6.1.1 There are no financial implications arising directly from this report. The costs of the audit work are being met from the Financial Services 2024-25 budgets.

### 6.2 Legal and Constitutional

6.2.1 The Council is required by statute (under the Accounts and Audit Regulations and section 151 of the Local Government Act 1972) to have an adequate and effective internal audit function.

### 6.3 Council Policies and Priorities

6.3.1 Under the Local Code of Corporate Governance the Council is committed to comply with requirements for the independent review of the financial and operational reporting processes, through the external audit and inspection processes, and satisfactory arrangements for internal audit.

This report relates to the following corporate priorities: -

- To keep our district safe and clean
- To deliver the housing we need
- To protect our environment
- To create a thriving place
- To work efficiently for you

### 6.4 Risk Management

6.4.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Non completion of the audit plan	Medium	Low	Review of the audit plan on a regular basis.
Non implementation of agreed audit recommendations	Medium	Low	Review of recommendations by Audit & Governance Committee and Audit escalation policy.
Non completion of the key financial system reviews	Medium	Medium	Review of the audit plan on a regular basis. A change in the External Audit requirements reduces the

			impact of non-completion on the Authority
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**6.5 Climate Change and Biodiversity**

**6.5.1** There are no implications arising from this report.

**7.0 Equality Act 2010 & Public Sector Equality Duty**

**7.1** Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

There are no equity or equalities issues arising from this report.

**8. Crime and Disorder Implications and Community impact**

**8.1** There are no crime or disorder implications arising from this report.

**9.0 Subject History**

**9.1** Previous Quarterly Internal Audit Update Reports have all been noted by this Committee.

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Simon Webb, Deputy Head of Audit

Reporting to: Chris Blundell; Director of Corporate Services

**Annex List**

Annex 1: East Kent Audit Partnership Quarterly Update Report – 25-09-2024

**Background Papers**

Internal Audit Annual Plan 2023-24 - Previously presented to and approved in March 2023 at Governance and Audit Committee meeting.

Internal Audit Annual Plan 2024-25 - Previously presented to and approved on 6th March 2024 at Governance and Audit Committee meeting.

Internal Audit working papers - Held by the East Kent Audit Partnership

### **Corporate Consultation**

**Finance:** Chris Blundell; Director of Corporate Services

**Legal:** Ingrid Brown, Head of Legal Democracy & Monitoring Officer