

Audit Committee – 24 February 2023

Title of paper:	Internal Audit Progress Report Q1-Q3 2022/23	
Director(s)/ Corporate Director(s):	Ross Brown, Corporate Director of Finance & Resources	Wards affected: All
Report author(s) and contact details:	Shail Shah Head of Audit and Risk	
Other colleagues who have provided input:	None	
Does this report contain any information that is exempt from publication?		
No		
Recommendation(s):		
1.	To note the progress reported in respect of high priority recommendations and determine any focus for intervention if considered necessary.	
2.	To note the areas marked as Limited Assurance and determine, if necessary, any intervention required.	
3.	To note the progress made on the Internal Audit Plan 2022/23	

1 Reasons for recommendations

- 1.1 This report provides objective assurance that Nottingham City Council (NCC) activities meet their objectives. It brings together:
- a summary of final Internal Audit reports issued in 2021, 2022 and up to 27 January 2023.
 - tracking of completion of high priority recommendations by the service areas concerned; and
 - a summary of the position against the updated Internal Audit Plan 2022/23
- 1.2 The report enables Audit Committee to gain assurances and determine the focus for any interventions necessary

2 Background

- 2.1 Internal Audit carries out a programme of audits each year including key financial systems, IT, and governance. This can include project or service audits or themed audits across the Council. In reporting its conclusions for these audits Internal Audit will recommend any actions it considers necessary to meet key objectives for the system, and aims to agree an action plan with the audit client
- 2.2 Annexe A1 is a summary of the audits concluded in 2022-23 and reported since our last Internal Audit update report to the Audit Committee. Annexe A2 is a summary of the audits concluded in 2020/21, 2021/22 and Quarter 1- 3 2022/23 to 27 January 2023 including those reported in Annexe A1.
- 2.3 Annexe B is tracked high priority recommendations reported in 2020/21, 2021/22 and Quarter 1- 3 2022/23 to 27 January 2023.
- 2.4 Annexe C is executive summaries for audits identified in Annexe A2.

- 2.5 Annexe D is a summary of the position against the Internal Audit Plan 2022/23.
- 2.7 Audit Committee’s attention is required to ensure that improvement is achieved in a timely manner, and to identify where further support or direction is needed. In many instances the areas identified for improvement will underpin the ability to improve across the Council.
- 2.8 Internal Audit helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The Public Sector Internal Audit Standards sets out the role of the Audit Committee in relation to Internal Audit and includes to receive reports from Internal Audit on significant risk exposures and control issues.
- 2.9 The Accounts & Audit Regulations 2015 Part 2 sets out that:
- 5.— (1) A relevant authority must 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.

Progress on 2022/23 Internal Audit Plan

- 2.10 Table 1 shows that actual days achieved but we note that the available days will be impacted by some long-term sickness and an inability to recruit to vacant posts.

TABLE 1: ACTUAL v PLANNED AUDIT DAYS		
Total Planned Days	Actual to date	Comments
2138	1492	Final outturn at Q4 will be impacted by staff shortages and sickness and

- 2.11 Table 2 shows that in the year to date, acceptance of audit recommendations is above the target of 95% for all recommendations and is meeting the 100% target for high recommendations.

TABLE 2: RECOMMENDATIONS ACCEPTED		
	To Date	
	All	High
Total new recommendations made	44	28
Rejected	0	0
Total recommendations accepted	44	28
% accepted	100%	100%

3 Background papers other than published works or those disclosing exempt or confidential information

3.1 None

4 Published documents referred to in compiling this report

4.1 Accounts and Audit Regulations 2015

4.2 Audit Plan 2022/23

4.3 Public Sector Internal Audit Standards (2017 update)

4.4 Internal Audit Standards Advisory Board (IASAB) - Conformance with the PSIAS during the coronavirus pandemic

4.5 CIPFA Guidance to Internal Auditors and the Leadership Team and Audit Committee of Local Government Bodies (November 2020)