

Audit Committee – 23 February 2024

Title of paper:	Internal Audit Progress Update Q3 2023/24	
Director(s)/ Corporate Director(s):	Ross Brown, Corporate Director of Finance & Resources	Wards affected: All
Report author(s) and contact details:	Simon Parsons John Slater Audit Manager Group Assurance & Audit Governance Manager	
Other colleagues who have provided input:	None	
Does this report contain any information that is exempt from publication?		
No		
Recommendation(s):		
1.	Note the progress in respect of the 2023/24 Internal Audit Plan	
2.	To note the progress reported in respect of high priority recommendations and determine any focus for intervention if considered necessary.	
3.	To note the areas marked as Limited Assurance and determine, if necessary, any intervention required.	
4.	To approve the update to 23/24 Internal Audit Plan and note the progress to date	
5.	To consider limitation of resources as required by PSIAS.	

1 Reasons for recommendations

- 1.1 This report provides objective assurance on whether Nottingham City Council (NCC) activities meet their objectives. It brings together:
- a summary of final Internal Audit reports issued since the last update and all reports in the period from 2021/22 to date
 - tracking of completion of high priority recommendations by the service areas concerned
 - the current position for the 2023/24 Internal Audit Plan
 - a summary of resourcing issues
- 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.

2022/23 Audit Plan

- 2.2 As previously reported to the committee, the submission of the Internal Audit Annual Report for 2022/23 was delayed due to the absence of the Head of Audit & Risk, who

is required to provide an opinion for the year. It is envisaged that this will be provided at the next meeting of the committee.

Resources

- 2.3 As part of the Council’s ongoing commitment to ensure its services and structures are fit for purpose, it is anticipated that the Audit service will be reviewed and redesigned. Proposals will be brought back to the committee.
- 2.4 The Committee was informed at the September meeting that the 2023/24 Audit Plan included a significant allocation of resource to provide some audit coverage within Housing (ex-NCH functions). Housing management planned to commission this work during 2023 but there have been delays and we have recently been informed that they are now not in a position to progress the matter. As we are currently in the last quarter of the year and are not in a position to commission this work ourselves, we have amended the Audit Plan to take account of this reduction.

Update

- 2.5 Annex B is a summary of the audits concluded since our last update report to the Audit Committee. Annex B2 summarises audits concluded since 2021/22 with the most recent outcome shown where there have been multiple reviews.
- 2.6 Annex C is executive summaries for audits identified in Annex B.
- 2.7 Annex D is tracked high priority recommendations reported in 2020/21, 2021/22, 2022/23 and 2023/24
- 2.8 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.
- 2.9 Included within the summary in Annex B are two new ‘No Assurance’ reports; one of which will feature as an exempt appendix, the other will be submitted to a future meeting. Two ‘No Assurance’ reports included on the agenda in September will be updated at this meeting (HR/Payroll and Appointeeship) with a further opportunity for members to discuss progress with the responsible senior managers.

Progress on 2023/24 Internal Audit Plan

- 2.10 Annexe A is a summary of the position against the Internal Audit Plan for 2023/24

TABLE 1: ACTUAL v PLANNED AUDIT DAYS		
Total Planned Days	Actual to date	Comments
1942	1397	

- 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	88	39
Rejected	0	0
Total recommendations accepted	88	39
% 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)