

AUDIT AND RISK COMMITTEE

26 September 2023

INTERNAL AUDIT UPDATE

Report of the Chief Internal Auditor

Strategic Aim:	All		
Exempt Information	No		
Cabinet Member(s) Responsible:	Cllr A Johnson, Portfolio Holder for Resources		
Contact Officer(s):	Rachel Ashley-Caunt, Chief Internal Auditor	Tel: 07799 217378 rashley-caunt@rutland.gov.uk	
Ward Councillors	N/A		

DECISION RECOMMENDATIONS

That Committee:

1. Notes the Internal Audit update report (Appendix A).
2. Approves an amendment to the Internal Audit Plan 2023/24, to postpone the planned audit of Special Educational Needs and Disabilities (SEND) and reallocates the 15 days to assurance work on the Levelling Up Fund programme.

1 PURPOSE OF THE REPORT

- 1.1 To provide an update on the progress made in delivering the 2023/24 Internal Audit plan.

2 BACKGROUND AND MAIN CONSIDERATIONS

2.1 Delivery of Internal Audit plan

- 2.1.1 The 2023/24 Internal Audit plan was approved by the Audit and Risk Committee in March 2023, in line with the Public Sector Internal Audit Standards. The development of the plan was informed by consultation with the Committee and senior management and was designed to provide risk based coverage.

- 2.1.2 The progress made to date in delivering the 2023/24 audit plan is set out in Appendix A. At the time of reporting, 32% of the planned assignments are underway. The outcomes of completed audits will be reported to the Audit and Risk Committee throughout the financial year.

2.2 Implementation of Recommendations

- 2.2.1 Internal Audit request that officers provide updates on all open audit actions on a monthly basis.
- 2.2.2 There are 21 actions which are overdue for completion. There is currently two action rated as 'High' priority which have been overdue for implementation by more than three months – as such, full details of these actions are provided in Appendix C.

2.3 Review of the Internal Audit Plan coverage

- 2.3.1 The Internal Audit plan must remain subject to regular review throughout the financial year, to ensure that it continues to focus on the Council's key risks and adds the best possible value.
- 2.3.2 The Internal Audit plan for 2023/24 does not currently include any allowance for Internal Audit work relating to the Levelling Up Fund (LUF). Given the values and risks associated with this programme, there would be value in engaging Internal Audit as part of the assurance framework. There is already an assurance framework in place, and any Internal Audit work will seek to complement the existing assurances. A meeting has taken place between the Chief Internal Auditor and lead project officers and s151 officers for both Rutland County Council and Melton Borough Council, to scope potential Internal Audit assurance work during 2023/24. This will require audit days from the 2023/24 Internal Audit plan and an amendment to existing coverage.
- 2.3.3 Given the recent Ofsted inspection on Special Educational Needs and Disabilities (SEND), it is considered that this provides a source of independent assurance over SEND in 2023/24 and reduces the value of an Internal Audit review. As such, it is recommended that the 15 days allocated within the Internal Audit Plan for an audit on SEND be postponed to 2024/25 and the days in 2023/24 be re-allocated to assurance on the LUF project – including joint assurance work with Melton Borough Council.

3 CONSULTATION

- 3.1 No formal consultation required.

4 ALTERNATIVE OPTIONS

- 4.1 The Committee is asked to note the report. No alternative options are proposed.

5 FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications directly arising from this report.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1 The Audit and Risk Committee is responsible for oversight of the work of Internal

Audit including approving the annual Audit Plan and satisfying itself that the plan provides assurance over the Council's control framework and key risks. It is also responsible for gaining assurance that internal audit is complying with internal audit standards.

6.2 There are no legal implications arising from this report.

7 DATA

7.1 A Data Protection Impact Assessment (DPIA) has not been completed because there are no risks/issues to the rights and freedoms of natural persons.

8 EQUALITY IMPACT ASSESSMENT

8.1 There are no equality implications

9 COMMUNITY SAFETY IMPLICATIONS

9.1 There are no community safety implications

10 HEALTH AND WELLBEING IMPLICATIONS

10.1 There are no health and wellbeing implications.

11 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

11.1 The latest update report, provided in Appendix A, includes the 2023/24 Internal Audit plan and progress made to date. The Committee plays an important role in the oversight of Internal Audit work.

12 BACKGROUND PAPERS

12.1 There are no additional background papers to the report.

13 APPENDICES

13.1 Appendix A: Internal Audit Update Report

13.2 Appendix B: Implementation of Audit Recommendations

13.3 Appendix C: 'High' priority recommendations overdue by more than three months

13.4 Appendix D: Customer satisfaction questionnaire responses

13.5 Appendix E: Limitations and responsibilities

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