



Audit & Governance Committee
22 November 2023

Internal Audit Progress Report – Quarter 2 (01/07/23 – 30/09/23)

SUMMARY AND PURPOSE:

The purpose of this progress report is to inform Members of the work completed by Internal Audit between 1 July 2023 and 30 September 2023.

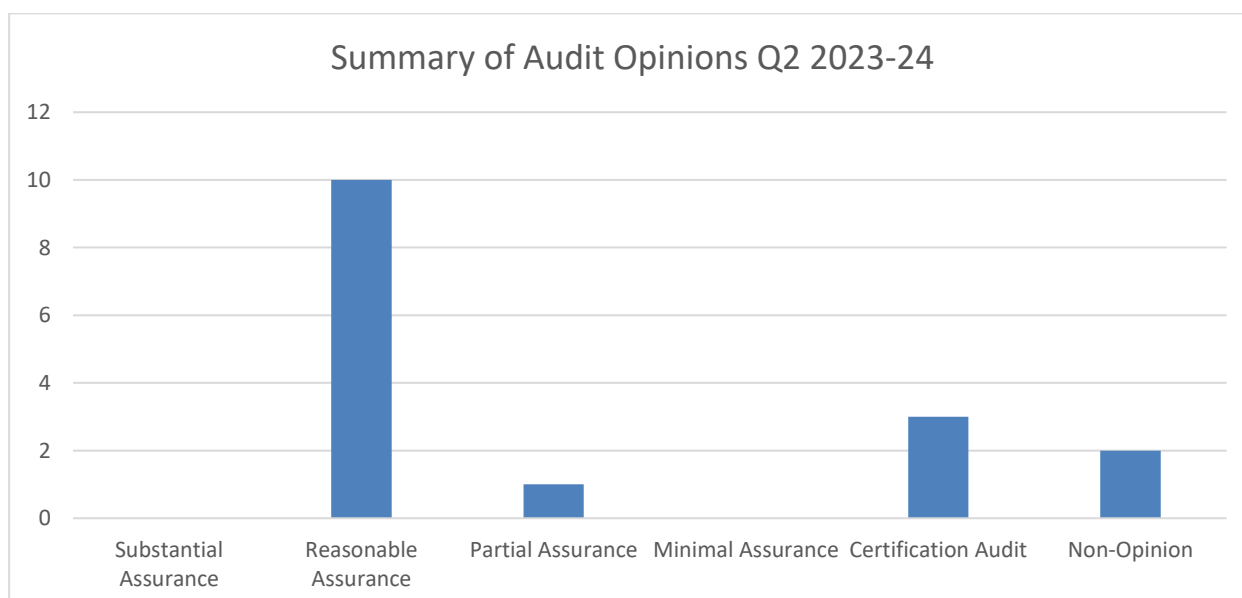
The current annual plan for Internal Audit is contained within the Internal Audit Strategy and Annual Plan 2023-24, which was approved by this Committee on 8 March 2023.

RECOMMENDATIONS:

The Committee is asked to note the report and consider any further action required in their response to issues raised.

BACKGROUND:

1. Key audit findings from final reports issued during Quarter 2 are summarised in Appendix A.
2. Reviews completed in this quarter included a mixture of planned and unplanned audits, schools audit, grant certification work, and irregularity work. Overall, of the 16 formal assignments finalised during the quarter (excluding irregularity work), none received 'substantial assurance', 10 received 'reasonable assurance' (including 5 schools), 1 received 'partial assurance', and 3 were grant certification assignments. There were also 2 reports issued in the period without opinions. Non-opinion activities tend to relate to advisory type work where Internal Audit provides input and support to development initiatives or projects and programmes as they are progressing.



Wherein our four levels of audit opinion are defined as follows:

Opinion	Definition
Substantial Assurance	Controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Reasonable Assurance	Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Partial Assurance	There are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of the system or service objectives at risk.
Minimal Assurance	Controls are generally weak or non-existent, leaving the system open to the risk of significant error or fraud. There is a high risk to the ability of the system/service to meet its objectives.

- Members will recall that flexibility was built into the audit plan to allow resources to be directed to any new and emerging risks.
- Appendix A to the report also provides details of counter fraud investigations completed, audits added and removed from the plan in the period, information on the tracking of high priority actions, and progress against our performance targets.

IMPLICATIONS:

- Financial;
Equalities;
Risk management; and
Value for money
- There are no direct implications (relating to finance, equalities, risk management or value for money) arising from this report.

WHAT HAPPENS NEXT:

- See Recommendations above.

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Sources/background papers: Internal Audit Strategy and Annual Audit Plan 2023/24.

Annexes/Appendices:

Appendix A - Internal Audit and Counter Fraud Quarter 2 Progress Report 2023/24