

10. **INTERNAL AUDIT REPORT BLOCK 1 2023/24**

1. **Purpose of the report**

The report presents to Members' the Internal Auditors' recommendations for the first block of the 2023/24 audit and the agreed actions for consideration. The Internal Auditors will be present at the meeting to answer any questions relating to the audit report or process.

Key Issues

- Auditors give an opinion based on four grades of assurance:
 - Substantial Assurance
 - Reasonable Assurance
 - Limited Assurance
 - No Assurance
- Three audits were completed and the following grades were awarded:
 - Project Management - Substantial Assurance
 - Performance Management - Substantial Assurance
 - Planning Enforcement – Reasonable Assurance
- If necessary, Agreed Actions are assigned based on a priority scale of 1 – 3:
 - Priority 1 - a fundamental system weakness requiring urgent attention
 - Priority 2 - a significant system weakness to be addressed by management
 - Priority 3 - no significant weakness but merits attention by management
- The following Agreed Actions were assigned:
 - Project Management – One action (P3)
 - Performance Management – No actions
 - Planning Enforcement – Three actions (P2 (2), P3 (1))
- Planning Enforcement Audit – Issue/Control Weakness:
 - Agreed Action 1.1 - Priority 2 - Site visits are not carried out within the timescales outlined in the Local Enforcement Plan.
 - Agreed Action 2.1 - Priority 2 - Targets for case resolution are not being met.
 - Agreed Action 3.1 - Priority 3 - The Local Enforcement Plan has not been updated since 2018.
- Project Management – Issue/Control Weakness:
 - Agreed Action 1.1 - Priority 3 – Larger projects are not monitored at a corporate level once in delivery.

2. **Recommendation:**

1. **That the Internal Audit reports for the three areas covered under Block 1 for 2023/24 Project Management, Performance Management and Planning Enforcement (in appendices 1-3 respectively) be received and the agreed**

actions considered.

3. How does this contribute to our policies and legal obligations?

As identified in the Annual Governance Statement, the Internal Audit process is regarded as an important part of the overall internal controls operated by the Authority and recommendations are addressed by the Authority's managers in the management response to the audit report.

4. Background Information

The Accounts and Audit Regulations 2015 requires relevant authorities to maintain an adequate and effective system of internal audit of its accounting records and internal control in accordance with proper practices. The contract for the internal audit service is let to Veritau Ltd. The Internal Audit Plan for 2023/24 was approved by the Authority meeting in July 2023.

5. Proposals

Managers have carefully considered the Internal Auditors' recommendations and Agreed Actions, which will be implemented according to the priority scale. Audit reports are attached in appendices 1 to 3 respectively for Members consideration.

6. Are there any corporate implications Members should be concerned about?

Financial:

There are resource implications of implementing recommendations and this is why the priority rating of recommendations is important, as this has to be managed within existing budgets, taking account of the level of risk agreed by management. The cost of the Internal Audit Service Level Agreement is found from within the overall Finance Budget.

Risk Management:

The Internal Audit process is regarded as an important part of the overall internal controls operated by the Authority.

Sustainability:

There are no implications to identify.

Equality, Diversity and Inclusion:

There are no implications to identify.

Climate Change

There are no implications to identify.

7. Background papers (not previously published)

None

8. Appendices

- Appendix 1 - Project Management
- Appendix 2 - Performance Management
- Appendix 3 - Planning Enforcement

9.

Report Author, Job Title and Publication Date

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