



Report to Audit Committee

Meeting Date – 17 September 2024

Key Decision – No

Public/Private – Public

Portfolio – Governance & Thriving Communities

Directorate – Resources

Lead Officer – Head of Internal Audit & Risk Management

Internal Audit Progress Report (August) 2024/25

Summary

To provide an overview of the work carried out by Internal Audit since the previous Audit Committee on 23rd July 2024.

Recommendations:

Members are requested to:

- (i) Note the progress against the audit plan for 2024/25.
- (ii) Note progress made on outstanding actions outlined in Appendix 2.
- (iii) Note progress made on Internal Audit improvement actions in Appendix 3

Tracking

Executive:	
Scrutiny:	
Council:	

1. Background

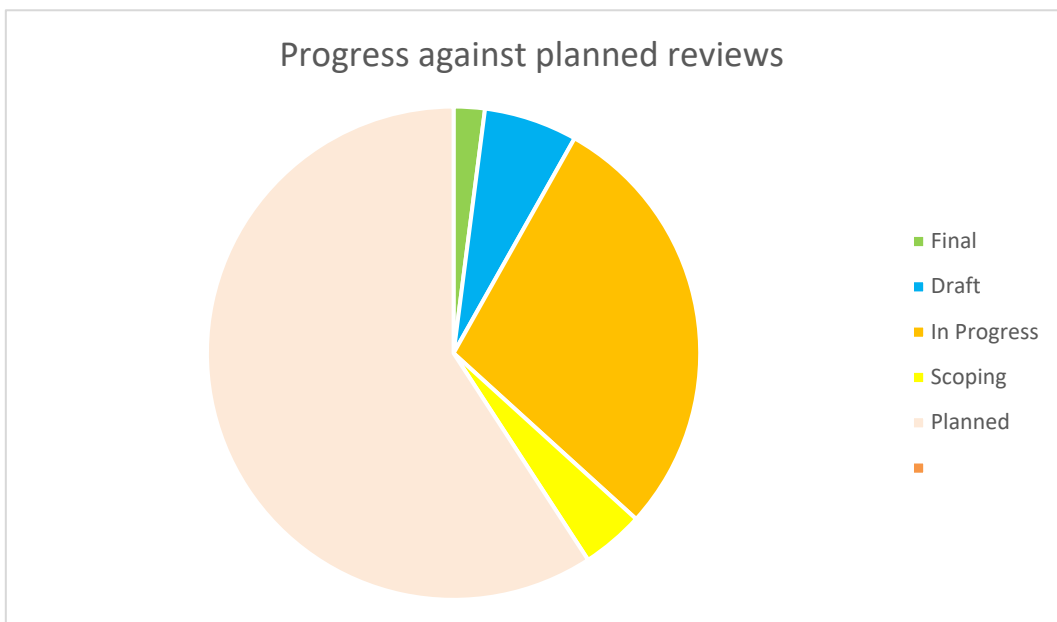
- 1.1. Management is responsible for establishing effective systems of governance, risk management and internal control. It is the responsibility of management to put appropriate arrangements in place to confirm that their systems are working effectively, that all information within them is accurate and that they are free from fraud or error.
- 1.2. Internal Audit's role is to provide independent assurance to senior management and the Audit Committee over the adequacy and effectiveness of management's arrangements for governance, risk management and internal control. This report details the work undertaken to deliver this objective.

2. Proposals

- 2.1. Progress against the 2024/25 Internal Audit plan (approved by Audit Committee 25th March 2025) is detailed at **Appendix 1**.

Audit Reviews

- 2.2. The plan includes 44 assurance reviews and 5 formal follow-ups, with progress noted as follows.



- 2.3. No reviews have been finalised in the period; 36% are either complete to draft or in progress. A revised 2024/25 internal audit plan, taking into consideration available audit resource and the changing risk environment for Cumberland Council will be presented at the 12th November Committee.
- 2.4. Finalising the audit of Broughton Moor school has been delayed due to availability of staff during the summer holidays; however, audit findings have been broadly agreed and the Committee should be aware the draft audit currently provides limited assurances. A final report will be presented to the 12th November 2024 Audit Committee.

Governance

- 2.5. The Head of Internal Audit Opinion for 2023/24 has been finalised and is reported elsewhere on this agenda.
- 2.6. A summary report outlining findings from school audits in 2023/24 was presented to the Cumberland Schools Forum on 16th September 2024. The report will be made available to all schools for information and will be presented to the 12th November Audit Committee meeting.

Grant Claims

- 2.7. No grant claims have been certified in the period.

Follow-Ups

- 2.8. 11 outstanding actions (6 legacy/5 Cumberland) were followed up in the current period, as detailed in **Appendix 3**:
 - 3 recommendations have been completed and can be closed.
 - 1 recommendation has been reported as completed, but evidence to demonstrate this has not been provided to date.
 - 7 recommendations have not been completed and have been given revised completion dates for future follow-up.
- 2.9. There are currently 18 outstanding legacy recommendations. Further work is being undertaken to ensure these actions are closed.

Counter-Fraud

- 2.10. Updates to the Council's Anti-Fraud, Bribery & Corruption and Confidential Reporting policies have been finalised and are reported elsewhere on this agenda.
- 2.11. It has not been possible to complete the planned self-assessment of counter-fraud activity for 2023/24. A revised assessment, covering the 18 months to 30th August 2024 will be provided to the 12th November Committee.
- 2.12. Some improvements to the counter-fraud plan have already been identified including enhancing awareness of the confidential reporting policy and developing a formalised plan and risk register for counter-fraud.
- 2.13. An investigation into misuse of a purchase-card following a confidential report to Internal Audit has been finalised. The report was unable to conclude that activity was fraudulent, but confirmed financial maladministration. Action has been taken to recover the money lost to malpractice and disciplinary action was undertaken. Relevant recommendations to address issues identified will be recorded in the audit of purchase cards.
- 2.14. Preparation work has commenced on the 2024/25 National Fraud Initiative. Key contacts will be submitting data to the initiative in early October, with match reports expected to be ready for review in December 2024.

2.15. Investigative work is ongoing in relation to two issues previously reported to Internal Audit and two further issues have now commenced. Outcomes will be reported as work is finalised.

Advice & Consultancy

2.16. The following ad-hoc advice was provided in the period:

- Advise to ICT Services in relation to providing access to Council information to ex-employees
- Advise to Human Resources in relation to updates to Externally Provided Workforce guidance.
- Ongoing advice in relation to staff safety at work.

Audit Committee

2.17. An effectiveness review of the Audit Committee is reported elsewhere on this agenda.

Continuous Improvement

2.18. The self-assessment of Internal Audit's compliance with the (PSIAS) Public Sector Internal Audit Standards reported to the July Committee meeting included 11 improvement actions. Progress against these actions is included at **Appendix 3**.

2.19. Three actions have been finalised and are now closed. Progress against remaining actions are ongoing.

3. Alternative options considered

3.1. None

4. Conclusion and reasons for recommendations

4.1. The Committee is asked to consider the work undertaken to date by Internal Audit during 2024/25.

Implications:

Contribution to the Cumberland Plan Priorities - Delivery of the Internal Audit plan will enable the Head of Internal Audit and Risk Management to provide an opinion on the governance, risk management and internal control frameworks in place for the Council.

Relevant Risks – Contained within the report

Consultation / Engagement -

Legal – None

Finance – None

Information Governance – None

Impact Assessments –

Have you screened the decision for impacts using the Impact Assessment?

If you have not screened the decision using the Impact Assessment, please explain your reason.

Contact details:

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Appendices attached to report:

- Appendix 1 - Progress against Internal Audit Plan 2024/25
- Appendix 2 - Progress against outstanding actions
- Appendix 3 - Progress against improvement actions from the Self-assessment of conformance with the PSIAS

Background papers:

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers: