

Committee: **Governance & Audit Committee**
 Date of meeting: **17th April 2024**
 Report Subject: **Audit Plan Outturn 2023-24**
 Portfolio Holder: **Cllr Steve Thomas – Leader / Cabinet Member for Corporate Overview and Performance**
 Report Submitted by: **Louise Rosser – Audit and Risk Manager**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance & Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	04/04/2024		17/04/2024					

1. Purpose of the Report

1.1 The purpose of this report is to inform the Governance & Audit Committee of the overall achievement against the Audit Plan for the financial year 2023-24.

2. Scope and Background

2.1 The report highlights the work undertaken by the Internal Audit Service and complies with the Public Sector Internal Audit Standards (PSIAS).

2.2 The Internal Audit Plan is based on a risk assessment using a set of criteria relating to audit risks, Authority objectives and management views. The Audit Plan for the period 2023-24 was considered and agreed by the Governance and Audit Committee in June 2023.

2.3 Progress against the plan has been reported to the Governance and Audit Committee throughout the financial year, with this report providing a summary of the overall achievement for the year.

3. Options for Recommendation

3.1 The Governance and Audit Committee consider this report and the Appendices attached, and note the following:

- the levels of audit coverage in each service area,
- the plan outturn for the financial year, and
- the performance of the Internal Audit Service for the financial year 2023/24.

4. Evidence of how this topic support the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan

4.1 This report supports the Authority in achieving its Corporate Plan Priority of an ambitious and innovative council delivering quality services at the right time and in the right place through demonstrating that adequate measures are in place for the prevention and detection of fraud, protecting the Authority's assets.

- 4.2 The Governance and Audit Committee, in their role as those responsible for governance, and in compliance with the PSIASs, have a responsibility to oversee the performance of the Internal Audit function including receiving a summary of the work upon which the Audit and Risk Manager will base her annual audit opinion.

5. **Implications Against Each Option**

5.1 Impact on Budget (short- and long-term impact)

- 5.1.1 There are no direct financial implications arising from this report.

5.2 Risk including Mitigating Actions

- 5.2.1 The audit plan outturn demonstrates the breadth of audit coverage achieved to provide assurance that key areas of concern and areas deemed to have the highest risk priority have been examined during the financial year.
- 5.2.2 Failure to cover sufficient audit areas exposes the Authority to the risk that weaknesses within specific systems within the Authority's control environment are not being identified, increasing the risk of fraud and error.

5.3 Legal

- 5.3.1 The Section 151 Officer has a statutory duty under the Local Government Act (1972) to ensure the provision of an adequate Internal Audit Service. This is achieved in part by ensuring the audit service provides sufficient coverage of the Authority's internal control environment, as demonstrated in the audit plan outturn.

5.4 Human Resources

The section currently has a complement of six full time posts. This includes an Audit Apprentice role that has been vacant since January 2024. Recruitment of a suitable replacement to the position is progressing.

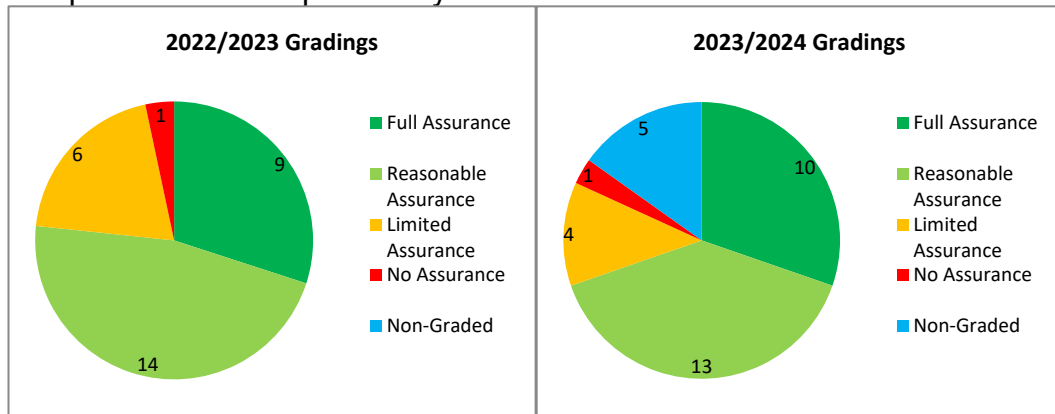
The section sickness absence for the year is an average of 5.17 days per person against an annual directorate target of 7 days per person.

6. **Supporting Evidence**

6.1 **Performance Information and Data**

- 6.1.1 Appendix A shows all audits undertaken during the financial year and their status as at 31st March 2024 including their actual or provisional grading (where applicable). Where a provisional grading has been issued the report has not been cleared by the service area and could be subject to change.
- 6.1.2 Performance data for the Section for the year to 31st March 2024 is presented at Appendix B. Appendix C illustrates the spread of audit gradings issued during the year compared to the previous year. Appendix D shows the actual audit coverage compared to planned audit coverage by department, based on jobs in the year.

6.1.3 28 graded audit reports were issued during the year split between the following: 10 Full Assurance; 13 Reasonable Assurance; 4 Limited Assurance; and 1 No Assurance. The pie charts below show the comparison with the previous year.



6.1.4 No grade is given for some of the audits undertaken, for example follow ups / Grant Certification/ ad-hoc pieces of work such as investigations and advice. Whilst these audits do not lend themselves to the standard audit gradings, any points of note or concerns identified will be reflected in the annual report of the Audit and Risk Manager.

6.1.5 The Internal Audit Service completed 68.06% of the audit plan against a target of 73%.

6.1.6 Productivity for the service remained consistent with previous years, with 75% of audits completed within the time allocated. In addition, 100% of weaknesses identified were accepted by Service Managers, reflecting the accuracy and relevance of audit findings.

6.1.7 The average number of days to issue final reports is 4.4 days against a target of 5 days.

6.2 Expected outcome for the public

6.2.1 Provision of sufficient audit coverage supports the Governance and Audit Committee in fulfilling its assurance role to the citizens of Blaenau Gwent.

6.3 Involvement (consultation, engagement, participation)

There are no direct implications under involvement.

6.4 Thinking for the Long term (forward planning)

The work of Internal Audit is intended to provide advice and guidance on system improvements resulting in an improved control environment for the future of the Authority.

6.5 Preventative focus

Not applicable.

6.6 Collaboration / partnership working
Not applicable.

6.7 Integration (across service areas)
Not applicable

6.8 Decarbonisation and Reducing Carbon Emissions.
Not applicable

6.9 Integrated Impact Assessment
Not applicable

7. **Monitoring Arrangements**

7.1 The levels of audit coverage and the gradings of individual audits will inform the annual opinion of the Audit and Risk Manager to be presented to the Governance and Audit Committee

Background Documents /Electronic Links

- Appendix A – Audit Plan Outturn 2023-24
- Appendix B – Performance Indicators 2023-24
- Appendix C – Audit Gradings 2023–24
- Appendix D – Audit Coverage by Department 2023-24