



Audit and Governance Committee	Agenda Item
26 January 2024	6

Title:	Internal Audit Action Tracker Report
Report of:	Nathan Bunting, Programme Office, Project Manager
Lead Member:	Chair, John Pye
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	To note

Recommendations:

A	To note progress on the implementation of internal audit actions
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Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities
X	Achieving Best Value and High Performance

1. Purpose

1.1	The purpose of this report is to provide an annual progress update on the internal audit actions. See Appendix 1 for the Internal Audit Tracker Dashboard.
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2. Progress

2.1	<p>See Appendix 1 for a dashboard illustrating the number of open actions including overdue and future. In Appendix 1, the overdue actions are also set out in a table. Below details the progress with resolving those 6 overdue actions.</p> <p>Name of Audit: Subsidiary Company Governance Categorisation: Medium Commentary: To resolve this action, we need to ensure an UpToDate Business Plan is in place for each subsidiary company. The PropCo2 business plan is to be redrafted on the basis of ARU being a partner in the project. The CPCA are still going through the process of setting up a shareholder agreement, following this there will be an amendment to the business plan.</p> <p>Name of Audit: Net Zero Hub – Governance Categorisation: Medium Commentary: A paragraph is required to be inserted into the Constitution confirming that the Net Zero Hub has its own Terms of References. This cannot be done until April, because Local Enterprise Partnerships (LEP) are changing and the membership of the Net Zero Hub may change.</p> <p>Name of Audit: Net Zero Hub – Governance Categorisation: Medium Commentary: The Net Zero Hub will revise the Terms of References which will evolve as the hub transitions into the new governance structure. The date of which is aligned with the transition of the LEP functions by March 2024.</p> <p>Name of audit: IT General Controls Categorisation: Medium Commentary: A process has been developed to mitigate any risk of our IT Provider not being told when staff are leaving. There is still some further work to be done before we can say this is complete.</p> <p>Name of Audit: IT General Controls Categorisation: Medium Commentary: A formal process for periodic review of user access levels across the Authority will be completed following the rollout of the new teams site as all access data will have been reviewed.</p> <p>Name of Audit: Core Controls Framework - Treasury Management and Accounts Payable Categorisation: Low Commentary: Unfortunately, the implementation of the Treasury Management Guidance has been delayed, the anticipated implementation date is now the end of January 2024, still before treasury management responsibilities would be extended beyond the AD Finance and Senior Technical Accountant.</p>
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2.2	Since the previous report to A&G in July 2023, the number of outstanding actions has risen from 4 to 6. However, it is important to note that since July, 4 new audits have been approved and with those 18 new actions. Therefore, progress has been made but we continue to aim for no overdue actions.
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3. Background

3.1	The action tracker collates the agreed actions from the various RSM audits and provides a status and progress update against each action. Progress on the implementation of actions is also reported at the internal officer Performance & Risk Meetings.
3.2	It was agreed at July 2023 Audit & Governance that the Internal Action Tracker be reported to the Committee annually starting in January 2024.
3.3	At July 2023 A&G there was an update on the procurement of 4Action software which will allow greater visibility of internal audit actions across the organisation, be easily accessible to action owners and allow easier reporting. Since then, progress has been made and the actions have been transferred to 4Action. Appendix 1 is a dashboard ran on the software. Next step includes training for all audit action owners, this will take place in February/March.

4. Appendices

4.1	Appendix 1: Internal Audit Tracker Dashboard
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5. Implications

Financial Implications

5.1	There are no financial implications
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Legal Implications

6.1	<p>The provision of Internal Audit is a statutory requirement for all local authorities that is set out in the Accounts and Audit (England) Regulations 2015 which states “<i>A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.</i>”</p> <p>Internal Audit also has a role in helping the CPCA to fulfil its responsibilities under s.151 of the Local Government Act 1972, which are: “each local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”</p>
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Public Health Implications

7.1	There are no Public Health implications
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Environmental & Climate Change Implications

8.1	There are no Environmental & Climate Change implications
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Other Significant Implications

9.1	N/A
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Background Papers

10.1	July 2023 A&G Internal Audit Action Tracker July 2023 A&G Committee Draft Minutes
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