



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 5

Internal Audit Progress Report

To: Audit and Governance Committee

Meeting Date: 27 January 2023

From: Jon Alsop, Head of Finance and S73 Officer

Key decision: Not a key decision

Forward Plan ref: n/a

Recommendations: The Audit and Governance Committee is recommended to:

- a) Receive and note the internal audit progress report against the audit plan for 2022/23 as provided by the Combined Authority's internal auditors, RSM Risk Assurance Services LLP (RSM).
- b) Receive and note an update to the internal auditor's annual report for 2021/22.

Voting arrangements: Note only item, no vote required.

1. Purpose

- 1.1. The purpose of the report is for the Audit and Governance Committee to:
- a) Receive and note progress being made against the internal audit plan for 2022/23.

2. Background

- 2.1. RSM presented the internal audit plan for 2022/23 to the Committee at its meeting of 29th July 2022. Members approved the topics proposed in the plan but recommended that officers adopt a flexible approach to the commissioning of reviews to give priority to work that helps the improvement journey. The attached report provides an update to activity against that plan.
- 2.2. RSM provided the Committee with its annual internal audit report for 2021/22 at the 2nd December 2022 meeting. Following discussion, the Committee requested that an updated report be brought to the next Committee meeting, providing more information on “post year developments”. In response to this request, RSM have provided an updated annual report for 2021/22 which is shown at Appendix 2.

3. Financial Implications

- 3.1. Internal audit fees are within those agreed as part of the internal audit service contract.

4. Legal Implications

- 4.1 The Cities and Local Government Devolution Act 2016 established the requirement for Combined Authorities to appoint an audit committee whose functions include reviewing and assessing the authority’s risk management, internal control and corporate governance arrangements.
- 4.2 The Accounts and Audit Regulations 2015 are a statutory instrument and require the Authority to 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.
- 4.3 Section 3 of the Accounts and Audit Regulations 2015 states that - A relevant authority must ensure that it has a sound system of internal control which—
- a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
 - b) ensures that the financial and operational management of the authority is effective; and
 - c) includes effective arrangements for the management of risk.

- 4.4 The Public Sector Internal Audit Standards and related Local Government Application Note establish the professional standards Internal Audit must apply when planning the use of its resources.

5. Other Significant Implications

- 5.1. No other significant implications have been identified.

6. Appendices

Appendix 1 – Internal Audit update report 2022/23 (RSM)
Appendix 2 – Internal Audit annual report 2021/22 (update)

7. Background Papers

[Internal Audit Plan A&GC July 2022](#)