



Audit Committee



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Report for:	Audit Committee
Title of report:	Summary Internal Controls Assurance (SICA) report and Audit Plan update
Date:	26 th July 2023
Report on behalf of:	Councillor Sally Symington, Portfolio Holder for Corporate and Commercial Services
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A- SICA Report Appendix B- Approved Annual Audit Plan 2023-24
Background papers:	Audit Committee February 2023 Agenda item 6 Internal Audit Programme 2023/24
Glossary of acronyms and any other abbreviations used in this report:	SICA- Statement of Internal Controls Assurance. A regular report produced by the Council's auditors outlining progress against the Council's approved annual audit programme of work. HRA- Housing Revenue Account. The Council's Housing Landlord function.

Report Author / Responsible Officer

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Corporate Priorities	Ensuring efficient, effective and modern service delivery
Wards affected	All
Purpose of the report:	<ol style="list-style-type: none">To provide committee with a progress update against the annual internal audit plan (Appendix A).To seek approval to amended the Audit Programme for 2023-24 as set out at section 3.
Recommendation to the decision maker:	<ol style="list-style-type: none">Note the final internal audit reports issued for the following services:<ul style="list-style-type: none">• Empty Homes• Procurement

	<ul style="list-style-type: none"> • Housing Rents <p>2. Approve the deferral of the internal audit of Building Safety audit to 2024-25. To approve the increase in allocated time for the audit of HRA health and safety arrangements by 5 days (total days allocated to this audit to be 10 days).</p>
Period for post policy/project review:	An update on progress against the approved Internal Audit programme is brought to committee on a regular basis.

1 Background

Attached at Appendix A is the latest SICA report, deferred from the June 2023 meeting of Audit Committee. The SICA report provides Audit Committee with an update on governance, risk and internal control arrangements for the Council. The report will be presented at Audit Committee by the Council’s internal auditors, TIAA. Relevant officers for the services covered by final internal reports covered in the SICA will also be present to answer queries from Members.

2 Internal audits completed since the last SICA

The following audits have been completed since the last SICA was presented to Audit Committee in March 2023:

- Empty Homes- Reasonable assurance
- Procurement- Substantial assurance
- Housing Rents- Reasonable assurance

TIAA use four levels of assurance assessment when undertaking internal audit review:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Summary reports and associated recommendations for each of the above are included in Appendix A.

3 Proposed amendment to the approved Internal Audit Programme for 2023/24

Appendix B is the Internal Audit programme 2023-24 approved by Audit Committee in February 2023. Each piece of internal audit work is assigned a budget of ‘days’ to reflect internal audit resource required to the deliver the work. Included within the plan are 5 days assigned for Housing Revenue Account (HRA) Health and Safety related audit. It is proposed that that this be increased to 10 days in total, an increase of 5 days. This is to allow the audit

to cover health and safety compliance associated with the Council's contractors operating on Housing related activity. This is a key area of focus for the Council and it is recommended that Members accept this proposal.

In order to stay within the allocated resource for internal audit work, it is also proposed that the audit of Building Safety currently in the annual audit programme is deferred until Q1 2024/25.

4 Financial and value for money implications:

A robust programme of internal audit activity supports the delivery of value for money by the Council.

5 Legal Implications

The Council is required by law to make arrangements to undertake effective internal audit of its activities.

6 Risk implications:

The Council's internal audit programme is compiled on a risk- led basis.

7 Equalities, Community Impact and Human Rights

None arising directly from the report.

8 Sustainability implications (including climate change, health and wellbeing, community safety)

None arising directly from the report.

9 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)

None arising directly from the report.

10 Conclusion

The SICA presented at Appendix A provides details of all internal audits completed since the March 2023 Audit Committee meeting.

Amendments are proposed to the Council's internal audit programme of works to ensure enhance the review of HRA Health and Safety arrangements.

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