

Committee: Audit and Standards

Title: Internal Audit Update (February 2025)

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Date:

Thursday,
27 February 2025

Summary

1. Internal Audit provides the Council with independent assurance over its corporate governance, risk management and internal control processes. The work completed in each year provides the Audit Manager with the evidence base needed to support an annual opinion.
2. This presents the Audit and Standards Committee with a summary of Internal Audit's work in the financial year to date.

Recommendations

3. Members are requested to note the content of this report.

Financial Implications

4. None

Background Papers

The following papers are referred to by the author in the preparation of this report and are available for inspection from the author of the report.

[Internal Audit Charter, Strategy and Plan 2024/25](#)

[Internal Audit Update, September 2024](#)

Impact

- 5.

Communication/Consultation	This report was sent to CMT in December 2024.
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None

Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Situation

6. The Council has a duty to maintain an effective Internal Audit service that is compliant with the UK Public Sector Internal Audit Standards (PSIAS) so that the Audit Manager can provide an annual report and opinion on the adequacy and effectiveness of the organisation's corporate governance, risk management and internal control. This can be used by the organisation to inform its annual governance statement.
7. The Internal Audit Plan is designed to provide the body of evidence the Audit Manager needs in order to support the annual report and opinion. This report summarises the progress made against the plan in the first third of the 2024/25 financial year and is attached as Appendix 1. The reports for audits with a "Limited" opinion can be found in Appendix 2.
8. One of the requirements of Public Sector Internal Audit Standards are that the service undergoes a periodic external quality assessment. Arrangements were made for Havering Council to perform this work (through the London Audit Group). This work has been concluded and their report is shown in Appendix 3.

Risk Analysis

9.

Risk	Likelihood	Impact	Mitigating actions
Inadequate audit coverage may lead to failure to provide an annual opinion of the Council's governance, risk and control arrangements; reputational damage and failure to comply with PSIAS	2	2	Monitoring of plan delivery and reporting to CMT, Cabinet and Audit and Standards Committee, contingency built into plan for additional days if required; Quality Assurance and Improvement Programme including an External Quality Assessment of the Internal Audit Service.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.