

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

COMMITTEE: Joint Audit and Standards Committee	REPORT NUMBER: JAC/23/13
FROM: Corporate Manager – Internal Audit	DATE OF MEETING: 27 th November 2023
OFFICER: Corporate Manager – Internal Audit	KEY DECISION REF NO. N/A

INTERIM INTERNAL AUDIT REPORT 2023/24

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to inform Councillors of the work undertaken within the Internal Audit service for the first half year, 2023/24 and provides Councillors with a review of the variety and scope of projects and corporate activities which are supported through the work of the team.

2. OPTIONS CONSIDERED

- 2.1 This is a regulatory report and there are no options to consider.

3. RECOMMENDATIONS

- 3.1 That the contents of this Internal Audit report, supported by Appendix A, be noted.

REASON FOR DECISION

For the Committee to note Internal Audit's half year report for 2023/24.

4. KEY INFORMATION

- 4.1 Requirement of Internal Audit - Public Sector Internal Audit Standards (PSIAS)

The PSIAS require the Corporate Manager – Internal Audit to report periodically to senior management and this Committee on Internal Audit's performance relative to its Internal Audit Plan including significant risk exposures and control issues where relevant, fraud risks and governance issues.

- 4.2 As the Councils' Delivery Programme continues and re-shapes and transforms its services the unplanned demand on Internal Audit's services to provide assurance, support and guidance on a diverse range of activities has increased including counter fraud work. The Corporate Manager – Internal Audit monitors the demands on the service, with a risk-based approach, for the re-allocation of Internal Audit resources from the approved 2023/24 Internal Audit Plan.

- 4.3 There was due consideration in conducting this year's audits to ensure that Internal Audit maintained its objectivity and independence. As further demonstration of organisational independence, the Corporate Manager – Internal Audit can confirm that there has been no inappropriate scope or resource limitations placed upon him.

4.4 In line with the Councils' Internal Audit Charter the work was conducted to ensure that it delivers against the PSIAS and the requirement to produce an annual Head of Internal Audit opinion. In doing this it can be confirmed that the work conducted covered the following activities:

- Governance processes
- Monitoring
- Ethics
- Information and Information technology governance
- Risk management
- Fraud management

5. LINKS TO CORPORATE PLAN

5.1 The delivery of a comprehensive Internal Audit service supports the strategic aims within the Councils' Corporate Plan.

5.2 Appendix A provides a summary of the work undertaken under the relevant strategic headings. This work will contribute to the 2023/24 overall Internal Audit opinion on the Councils' control environment provided by the Corporate Manager – Internal Audit, as required by the Accounts and Audit (England) Regulations 2015.

6. FINANCIAL IMPLICATIONS

6.1 There are no direct financial implications arising from this report. All Internal Audit recommendations must be considered in terms of their cost effectiveness.

7. LEGAL IMPLICATIONS

7.1 There are no direct legal implications arising from this report.

8. RISK MANAGEMENT

8.1 This report is not directly linked with any one of the Councils' Significant Risks. The key risk, however, is set out below:

Key Risk Description	Likelihood 1-4	Impact 1-4	Key Mitigation Measures	Risk Register and Reference
<p>Internal controls within each Council may not be efficient and effective.</p> <p>As a result, each Council may not identify any significant weakness that could impact on the achievement of their aims and/or lead to fraud, financial loss or inefficiency.</p>	Unlikely 2	Bad 3	<p>Councillors receive and approve the Internal Audit work programme and other reports on internal controls throughout the year.</p> <p>The work programme is based on an assessment of risk</p>	Internal Audit Risk Register – Risk reference no. 5.

			for each system or operational area.	
Issues raised by Internal Audit are not appropriately actioned by management leading to weak systems of internal control and potential risk of theft and fraud.	Unlikely 2	Bad 3	Reporting of internal audit main findings and tracking of high priority recommendations.	Internal Audit Risk Register – Risk reference no. 3.
Audit programme slippage leading to the approved programme of work not being delivered.	Unlikely 2	Bad 3	Regular reporting on internal audit progress.	Internal Audit Risk Register – Risk reference no. 6.

9. CONSULTATIONS

- 9.1 The 2023/24 Internal Audit Plan was approved by the Joint Audit and Standards Committee on 22nd March 2023 (Paper JAC/21/47), having previously been endorsed by the S151 Officer and the Senior Leadership Team.
- 9.2 As part of the preparation for this Plan, auditors engaged with senior management to identify their view of the coming year's risks linked to the Corporate Plan and Delivery Programme, and to gather and map management assurance across the Councils' functions.
- 9.3 During preparation, this report has been shared with both Chairs of the Joint Audit and Standards Committee and the Senior Leadership Team, including the Section 151 Officer and the Interim Director, Law and Governance and Monitoring Officer.

10. EQUALITY ANALYSIS

- 10.1 An equality analysis has not been completed because the report content does not have any impact on the protected characteristics.

11. ENVIRONMENTAL IMPLICATIONS

- 11.1 There are no environmental implications arising from this report.

12. APPENDICES

Title	Location
(a) Appendix A - Overview of Internal Audit Work	Attached

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Appendix A

Overview of Internal Audit Activity, 6 Months to 30th September 2023

1. Introduction

- 1.1 The work completed by Internal Audit to date for the Financial Year 2023/24 is reported here to the Joint Audit and Standards Committee.
- 1.2 Internal audit within the public sector in the United Kingdom is governed by the Public Sector Internal Audit Standards (PSIAS) which have been in place since 1 April 2013, were revised on 1 April 2016 and have been further revised on 1 April 2017.

2. Internal Audit reports with an Adverse Opinion

- 2.1. The three reviews (General Ledger, Election Costs and Safeguarding) that returned an audit opinion on the control environment of ‘Limited Assurance’ at the end of the last financial year (2022/23) where actions were outstanding have been kept under review by audit and, where appropriate, the management actions have been reassessed with the appropriate manager. The status of each of these audits is reported in Section 5 below together with all the completed audits to date.
- 2.2 As well as conducting audit reviews Internal Audit had significant involvement within the period in a variety of different Council activities, which include:

Section Reference:

- 3 Council Governance**
- 4 Probity**
- 5 Audits completed**
- 6 Business support activities**

3 Council Governance

- 3.1 Annual Governance Statement (AGS) and Local Code of Corporate Governance

Internal Audit has led on the production of the AGS and the Local Code, which was completed as at the end of the financial year 2022/23 and presented to this Committee on 31st July 2023 (Paper JAC/23/03).

- 3.2 Statutory Officers Working Group

The Corporate Manager – Internal Audit attends this meeting in his capacity as ‘Head of Internal Audit’ to provide appropriate professional determination on governance matters as they arise.

4 Probity

- 4.1 Details of the anti-fraud and corruption work undertaken is reported annually to this Committee in a report entitled 'Managing the Risk of Fraud and Corruption.' The 2022/23 report was presented to this Committee on 22nd March 2023 (Paper JAC/21/46).
- 4.2 Grants to businesses - significant internal resource has continued to be assigned to ongoing work to support processes in respect of COVID-19 related grants to businesses specifically:
- Post payment assurance work undertaken at the request of the Department for Business, Energy and Industrial Strategy (BEIS);
 - Monitoring of recovery in respect of businesses which were identified post-payment as not being eligible for the grants payments received; and
 - Fraud - providing the necessary information as requested by the National Investigation Service (NATIS) regarding national organised crime activity related to COVID-19 business grants.
- 4.3 National Fraud Initiative - Internal Audit continues to co-ordinate the Councils' participation in this biennial exercise which matches electronic data within and between public and private sector bodies to prevent and detect fraud.
- 4.4 The release of matches of information across all the contributor's data is managed on a risk-based approach by the system users, supported by Internal Audit. The system users access their data from the NFI and can investigate, in conjunction with the matched partner / contributor, to evaluate the potential fraud or error indicated by the match.
- 4.5 Work continues on raising fraud awareness across both Councils, for example through communication of fraud alerts to service areas of current threats.
- 4.6 Internal Audit continue to review counter fraud arrangements through the Fraud Risk Register and risk assessments.
- 4.7 Full details of the of the proactive and reactive work undertaken by Internal Audit to deter, prevent and detect fraud and corruption will be reported in their annual report in March 2024.

5 Audits Completed

- 5.1 In line with the 2023/24 Internal Audit Plan, reporting of outcomes is associated with the Councils' strategic aims. The completed audits, together with the audit opinion on the control environment are reported below.

5.1.1 Health of the Organisation

AUDIT	PURPOSE OF AUDIT	KEY RISK(S)	SUMMARY OF KEY FINDINGS	AUDIT OPINION
General Ledger 2022/23	To review the controls in operation in both the structure and management of the operating system and the associated key reconciliations between the host and feeder systems to ensure that	<ul style="list-style-type: none"> ○ Control accounts and reconciliations are mismanaged or ineffective and mis-posting may go unnoticed. 	<p>2022/23 audit opinion assessed as Limited Assurance based on the following findings:</p> <ul style="list-style-type: none"> ○ Reconciliations of the principal control accounts were at the time of testing found to be performed regularly and on a timely basis, however, there was no secondary check to ensure their accuracy. 	

	posting accuracy and financial integrity are assured.		<ul style="list-style-type: none"> Management information reporting through the S151 Report continues to be produced although there is no evidence of management oversight. <p>Management response:</p> <p>Management have accepted the recommendations and advised that a review of the whole process around these reconciliations will be undertaken as part of the finance transformation, implementation of balance sheet monitoring and new the finance management system.</p> <p>Internal Audit will follow up on these agreed recommendations at the end of the financial year.</p>	
Election Costs – 2022/23	The election expenses return for the election held in May 2021 includes all allowable expenditure incurred by the Council in relation to the running of an election.	<ul style="list-style-type: none"> Amounts claimed within the election expense return are not in accordance with the requirements of the election expenses guidance. Claims submitted may be rejected or incorrect, leaving the Councils liable for the costs and may lead to a level 5 fine under the virtue of Section 175 (1) The Summary of Accounts form is not accurate and has not been verified. The Election expenses claim is not consistent and is not supported by accepted supporting documentation 	<p>2022/23 audit opinion assessed as Limited Assurance based on the following findings:</p> <ul style="list-style-type: none"> The reconciliations were carried out in isolation with no formal secondary verification. Integra is unable to generate a budget report specifically for the 2021 elections as there is no unique cost centre or identifier to identify costs. It was not possible to use the Electoral Management System (EMS) to its full potential during the 2021 election, resulting in some employees' contact details (and level of experience) not being kept for the upcoming election in 2023. No process notes or Business Continuity Plans were available for the 2021 elections. <p>Good practice identified:</p> <ul style="list-style-type: none"> The Summary of Accounts submission was submitted within the agreed time, in accordance with the election expenses guidelines and with supporting evidence of costs. <p>Management response:</p> <p>Work had already begun to make improvements to the EMS in terms of data cleansing and capturing up to date Election employee data for future elections, as well as ensuring a comprehensive Business Continuity Plan is in place before the Corporate Manager responsible for elections left.</p> <p>The internal audit report has been passed to the Elections Consultant who has been bought in to support the Elections team and develop sound working practices. The Councils have recently appointed to the vacant position and will ensure that they receive a copy of the report. Internal Audit will seek assurances of the systems in place at an appropriate time when elections next take place.</p>	
Register of Interests, Gifts and Hospitality	To review the adequacy and effectiveness of the Councils' 'Acceptance by Employees of offers of Gifts and Hospitality Policy' and Declaration of Interests.	<ul style="list-style-type: none"> Code of Conduct - The lack of a corporate policy and procedures to guide staff could lead to a breach in Code of Conduct and unethical behaviour. Declaration of Interests and Gifts & Hospitality Procedures - Failure to appropriately declare gifts and hospitality offered or register interests, may result in Staff impartiality being affected resulting in reputational damage and ineffective use of resources. Central Register - The lack of a Central Register that is regularly reviewed, by the appropriate Officer, and published could be open to challenges of not being transparent to all our stakeholders 	<ul style="list-style-type: none"> Although Internal Audit periodically issue reminders to staff (and Members) regarding their responsibilities in relation to declaring interests, gifts and hospitality a more formal mechanism should be introduced and applied annually. There is no requirement for employees to make an annual declaration of interest. There is no apparent evidence of management overview on declarations, gifts and hospitality made by employees. Internal Audit have developed Declaration of Interests, Gift and Hospitality template forms, based on good practice, and are currently working with the Corporate Manager for Democratic Services and the HR Change and Project Lead to set these up electronically within Oracle Fusion. 	Reasonable Assurance

			<p>Good practice identified:</p> <ul style="list-style-type: none"> ○ The Councils' Employee Code of Conduct, recently revised in November 2022, now provides clearer guidance on the Councils' expectations, stating how the responsibility for declaring interests and registering gifts or hospitality extends to all staff and specifying the authorisation and review requirements placed online managers. This is further supported by the Councils' recently developed Personal Relationships at work Policy. ○ New employees are made aware of their responsibility with regards to Declaration of Interests, Gifts and Hospitality, and Personal Relationships at work Policy as part of their Induction Programme. ○ The Code of Conduct and Personal Relationships at work Policy are readily available via the Councils' intranet. 	
Support Central Government various Grant Funding Schemes	To ensure that the prescribed criteria in terms of eligibility is met.	<ul style="list-style-type: none"> ○ Failure to comply with the prescribed conditions will result in either the grant being reduced, suspended or being withheld. ○ Any expenditure that fails to comply with the prescribed conditions shall immediately become repayable to the Minister of State. 	<ul style="list-style-type: none"> ○ The conditions attached to the grants requiring Internal Audit intervention/certification have been complied with. 	Prescribed declarations have been presented to the Ministry for Housing, Communities and Local Government either directly or indirectly if received via Suffolk County Council.
Payroll system – Oracle Fusion Expenses	The focus of testing has been the submission and approval of expenses in Fusion, as other controls relating to Payroll were tested as part of the main fundamental Payroll audit carried out during 2022/23.	<ul style="list-style-type: none"> ○ Raising and submission of expense claims does not follow policy and may include duplications or expenses that should be paid for via the organisations' financial system (Integra). ○ Management validation and authorisation of expense claim controls are weak, allowing errors and fraudulent claims. ○ Weak management reporting leading to anomalies not being identified, corrected and reported upon as appropriate, and poor management oversight. 	<ul style="list-style-type: none"> ○ Testing of a sample of approved expenses established that the Councils' policies are not always being followed. ○ Increasing flexible working ability to work from home may have caused some confusion or misunderstanding of where employees consider they are now based, leading to some travel expenses being claimed from home as opposed to from Endeavour House (where most employees' contracts still state that they are based). ○ Fusion also demands greater managerial oversight as anomalies cannot be monitored as effectively compared to the previous system in operation. <p>Good practice identified:</p> <ul style="list-style-type: none"> ○ Relevant policies and procedures are readily available via the Councils' intranet under the HR & OD tile. 	Limited Assurance (to be followed up during 2023/24)

Procurement Cards	To seek assurances on the internal controls being exercised over the purchase card process exercised in a particular service area.	<ul style="list-style-type: none"> ○ Non-compliance with policy and procedures and abnormal activity may go undetected. ○ Failure to obtain value for money. 	<ul style="list-style-type: none"> ○ Although not material, there are examples of non-compliance with the policy over spending. ○ Lack of accurate descriptions recorded of items purchased. ○ Unclear whether value for money is being achieved. <p>The Corporate Manager for the service reviewed is aware that the use of procurement cards needs to be reviewed and this will form part of a wider review into the working practices and procedures within the service area. The results of the review will be communicated to Internal Audit and followed up.</p>	Limited Assurance (to be followed up during 2023/24)
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5.1.2 Community

AUDIT	PURPOSE OF AUDIT	KEY RISK(S)	SUMMARY OF KEY FINDINGS	AUDIT OPINION
Safeguarding – Follow Up	Added to the audit work plan at the request of the Director for Law and Governance - The audit focussed on the legislative duty of the Councils to ensure that their functions, and any services that they contract out to others, have the necessary arrangements in place to help and protect children and adults at risk of abuse or neglect.	<ul style="list-style-type: none"> ○ Safeguarding incidents undermine residents' safety and wellbeing. ○ Lack of staff and member awareness results in a failure to act. ○ Failure of the Councils to meet statutory responsibilities leads to regulatory sanction. 	<p>The initial work in December 2022 resulted in an audit opinion of 'Limited Assurance' resulting in a Follow Up audit in July 2023.</p> <p>To address the findings in the original December 2022 report, it was understood during the follow up audit that the revised Safeguarding policy was going to be presented to the Senior Leadership Team for approval, and thereby authorising the agreed 3 actions in the December 2022 audit report.</p> <p>A further Follow Up by Internal Audit can confirm that the Safeguarding policy was presented at SLT on 24 May 2023, where the policy was agreed with some minor changes and included a section on roles and responsibilities in connection to the Safeguarding functions. The next stage was for the Policy to be discussed by the new Cabinet Members on 6 July 2023 and ratified by Cabinet, late summer 2023. This took place in October 2023.</p> <p>As the policy has now been agreed, plans have been inputted and agreed in the Communities Action Plan.</p> <p>As all agreed actions from the original audit in December have now been actioned, the audit opinion has been raised to that of Reasonable Assurance.</p>	Reasonable Assurance

5.1.3 Housing

AUDIT	PURPOSE OF AUDIT	KEY RISK(S)	SUMMARY OF KEY FINDINGS	AUDIT OPINION
Building Services Supplier Payments	The audit sought to ascertain the process from acquisition through to services/goods received and payment of invoices. To ascertain breakdown in controls where invoices are processed without verification of services/goods received.	<ul style="list-style-type: none"> ○ Pricing and variations are not being controlled. ○ The Councils may not be receiving value for money for the services delivered and are not compliant with procurement policy. 	<ul style="list-style-type: none"> ○ The processes in place for managing building services suppliers do not align with Council policies, preventing the Council from gaining value for money. ○ The processes for engaging suppliers, completion of work and payment processing have evolved over time, with 	Limited Assurance (to be followed up during 2023/24)

		<ul style="list-style-type: none"> Planned maintenance and responsive repairs are not logged on Open Housing. Supplier call out rates are not agreed with each supplier. Quality of work is not inspected prior to payment. 	<p>disjointed and unwieldy practices in place.</p> <ul style="list-style-type: none"> Process for tenant recharges require clear protocols for application of recharges, tenant engagement and agreed standard of rates. Recording of planned and responsive maintenance is disjointed between building services and housing, with the Open Housing system records being incomplete. <p>Good practice identified:</p> <ul style="list-style-type: none"> A procurement manual is in place, which incorporates expected protocols to be undertaken. 	
Housing Revenue Account Estate insurance claims	The overall objective of this audit is to consider the main risks in relation to HRA estate insurance and to review the key systems and controls in place to address these.	<ul style="list-style-type: none"> Lack of procedures in place for managing insurance claims which clearly lays down the roles and responsibilities of relevant officials across Council in relation to managing insurance claims. Failure to maintain a summary database of all insurance claims against the Councils and of claims being made by Councils is maintained. Lack of appropriate actions plans and mitigations in place to reduce future risks. 	<ul style="list-style-type: none"> Processes are not in place to learn lessons from previous claims, this reduces the likelihood of reducing future insurance payouts. Formalised policies and procedures in relation to managing insurance claims are not in place. A formalised training programme is not in place for staff in relation to processing insurance claims. <p>Good practice identified:</p> <ul style="list-style-type: none"> There is adequate segregation of duties between the officers processing the insurance claims and the officers approving the insurance claims for payment. 	Reasonable Assurance
Disabled Facilities Grants	This audit focused on the administration function to ensure grants are awarded in accordance with the Councils' criteria and the conditions set by Central Government.	<ul style="list-style-type: none"> Funding is not given to the correct people, meeting the correct criteria, or reclaimed appropriately. 	<p>The conditions attached to the Disabled Facilities Capital Grant Determination (2022-23) No [31/6092] have been complied with.</p>	Prescribed declaration presented to the Department for Levelling Up, Housing and Communities via the administering authority, Suffolk County Council.

5.1.4 Customers and Wellbeing

AUDIT	PURPOSE OF AUDIT	KEY RISK(S)	SUMMARY OF KEY FINDINGS	AUDIT OPINION
Dealing with Complaints	To establish whether all queries or complaints from residents are dealt with promptly and effectively. Any areas for improvement arising from complaints are identified and addressed.	<ul style="list-style-type: none"> Inconsistent Complaint handling Complaints are not identified, recorded and monitored Complaints are not dealt with effectively Complaints are not dealt with in a timely manner and in line with the complaints policy Poor governance and reporting of complaints Service improvements not recognised or implemented 	<ul style="list-style-type: none"> Complaints are not always acknowledged, nor are customers contacted within five working days in accordance with the Compliments, Comments and Complaints Policy. Poor communication accounted for reasons for complaints upheld in the samples reviewed. <p>Good practice identified:</p> <ul style="list-style-type: none"> A Compliments, Comments and Complaints Policy is available to the public on the Councils website. 	Reasonable Assurance

5.1.5 Assets and Investments

AUDIT	PURPOSE OF AUDIT	KEY RISK(S)	SUMMARY OF KEY FINDINGS	AUDIT OPINION
Acquisitions	The purpose of the audit is to provide management with assurances that robust arrangements are in place for the effective oversight on management of assets regarding the recording, reporting, use and maintenance to ensure that they adhered to good practices.	<ul style="list-style-type: none"> • There may be no formally documented asset management policy in place leading to inconsistencies in how Council assets are managed. • There may be insufficient controls in place for recording and accounting for fixed asset additions and disposals resulting in incorrect accounting treatment and incomplete asset registers. • There may be inadequate procedures in place in relation to the monitoring and safeguarding of Council assets leading to increased risk of misappropriation of assets. • There may be insufficient insurance cover in relation to Council assets resulting in financial loss to the Councils. 	<ul style="list-style-type: none"> • Evidence to ensure adequate monitoring and safeguarding of fixed assets acquired by the Council was not provided during fieldwork. • The Councils' properties have adequate insurance cover. • A decision notice is not always completed and published for S106 properties. • The Fixed asset reconciliation to the finance system was not reviewed by an officer other than the one preparing the reconciliation. <p>Good practice identified:</p> <ul style="list-style-type: none"> ○ Babergh and Mid Suffolk (BMS) Strategic Asset Management Plan 2020-2025 describes the Councils' approach to the management of its assets and provides links to the operational and technical details that underpin the overall strategy. 	Reasonable Assurance

5.2 Each audit report is given an audit opinion, which is evidence-based, and levels of assurance awarded take into account not just control issues or risks raised, but also the adequacy of evidence which has been subject to audit review and testing. The audit opinion is also subject to the professional judgement of the Corporate Manager – Internal Audit.

Audit Opinions:

Substantial Assurance

A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Reasonable Assurance

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Limited Assurance

Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance and control to effectively manage risks to the achievement of objectives in the area audited.

No Assurance

Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

- 5.3 In undertaking this work there was due consideration to ensure that Internal Audit maintained its objectivity and independence. The prioritisation of work took account of the requirements of the approved audit plan.
- 5.4 Objectivity was maintained in that the auditors had no personal or professional involvement with or allegiance to the area audited. The determination of appropriate parties to which the details of an impairment to independence or objectivity is disclosed was dependent upon the expectations of the activity and was expressed during the planning of each audit.
- 5.5 Each auditor signs an annual declaration of interest.

6 Business Support Activities

- 6.1 A member of the Internal Audit team continues to support the Councils' Business Cell by providing assurance over the administering of the various business grants schemes announced by Central Government. The work includes ensuring that the prescribed criteria in terms eligibility is correctly applied and met and managing the risk of fraud using available digital assurance tools, such as 'Spotlight' and the National Fraud Initiative platform and assisting in the preparation of mandatory returns to Central Government.

7 Resources

- 7.1 The work of Internal Audit continues to be resourced from existing staff and from an external partner. This arrangement still allows a direct internal provision plus the commissioning of external skills and capacity and provides a blend of resources from within the Councils and from an external partner of services.
- 7.2 The external partner arrangement also provides access to valuable and diverse skills as needed and achieves a level of flexibility which can be critical in effectively dealing with a range of operational issues.

8 Professional Practice

8.1 Membership of audit bodies

It is important to keep abreast of best professional practice. Internal Audit has strong links with audit colleagues both within Suffolk and nationally and are members of the Suffolk Working Audit Partnership (SWAPs), the Midland Audit Group and the Local Authority Chief Auditors Network (LACAN).

8.2 Public Sector Internal Audit Standards (PSIAS)

The team has fully reviewed their working practices to ensure that the Internal Audit documents and processes comply with, and can be evidenced to, the PSIAS.

Compliance with the PSIAS was further demonstrated following the independent External Quality Assessment (EQA) that was carried out by TILIA Solutions in February 2023. This was carried out through a process of document review and interviews with the Chief Executive, the Director of Corporate Resources (S151), both Joint Audit and Standards Committee Chairs, a sample of audit clients, and Internal Audit staff. No areas of non-compliance with the standards that would affect the overall scope or operation of the Internal Audit activity were identified and the function is valued and well-regarded across the Councils.

8.3 Independence

Internal Audit will remain sufficiently independent of the activities that it audits to enable auditors to perform their duties in a manner, which facilitates impartial and effective professional judgements and recommendations.

9 **Conclusions**

- 9.1 The Corporate Manager – Internal Audit considers that there are no additional audit related issues that currently need to be brought to the attention of this Committee.

Draft Circulation:

John Matthissen Chair of the Joint Audit and Standards Committee – Mid Suffolk

Bryn Hurren Chair of the Joint Audit and Standards Committee – Babergh

Melissa Evans, Director of Corporate Resources

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Senior Leadership Team