



<b>Report to:</b>	Governance & Audit Committee
<b>Date:</b>	20 January 2025
<b>Subject:</b>	<b>Internal Audit Progress Update</b>
<b>Director:</b>	Alan Reiss, Chief Operating Officer
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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If the report does contain exempt information, what is the reason for exemption: <i>(indicate in the adjacent box the relevant paragraph of Schedule 12A, Local Government Act 1972, Part 1 – see Access to Information Rules)</i>	

## 1. Purpose of this Report

- 1.1 This report provides an update to the Committee on progress in relation to internal audit matters including the current Quality Assurance and Improvement Programme (QAIP) framework and action plan. This report also includes the Internal Audit Charter that has been updated following feedback at the meeting in October 2024.

## 2. Recommendations

- 2.1 That the Committee notes the progress update and Quality Assurance and Improvement Programme (QAIP).
- 2.2 That the Committee approves the updated Internal Audit Charter.

## 3. Information

### Internal Audit Performance and Updates

#### Progress Report

- 3.1 As the Committee are aware, the team have been preparing for and working with the reviewers undertaking the five yearly External Quality Assessment (EQA) of the Internal Audit Service. The final on-site activity takes place in mid-December and while the report



will not be available until after moderation at the end of January/early February, a verbal update will be given at the meeting. Progress against the plan, outlined in **Appendix 1**, has slowed as a result of the work needed for the EQA and the need to reprioritise current in progress reviews. However, with two new recruits starting in January and work continuing to recruit further, confidence remains high that the volume of audits will pick up pace quickly from January. This together with full support from the business to expedite reviews, suggests, at this stage, that it is unlikely that the opinion will be limited by scope.

### Quality Assurance and Improvement Programme

- 3.2 The framework and action plan included at **Appendix 2** show the current improvement activities either recently completed or still in progress. It is shared in detail at this meeting in advance of the final EQA report which will require a refresh of the QAIP along with the activity that will be required to ensure compliance with the new global internal audit standards that will come into effect from April 2025.

### Internal Audit Charter

- 3.3 Following feedback from the October 2024 committee meeting, some further amendments have been made to the IA Charter, highlighted in the document at **Appendix 3** for ease of reference. These make explicit the confirmation of the independence of Internal Audit and unfettered access between Internal Audit and the Chief Executive Officer.

## **4. Risks and Mitigations**

- 4.1 There is a risk that due to ongoing recruitment difficulties, audit work does not progress as quickly as needed. However, action is being taken to procure additional support and to use data analytics more extensively to give assurance particularly around financial controls.

## **5. Tackling the Climate Emergency Implications**

- 5.1 There are no climate emergency implications directly arising from this report. However, there is an audit of Climate Change within our plan which will focus on work carried out in 23-24 and give consideration to Climate Change risks.

## **6. Inclusive Growth Implications**

- 6.1 There are no inclusive growth implications directly arising from this report, but relevant audits will take account of activity in place that has inclusive growth implications.

## **7. Equity and Diversity Implications**

- 7.1 Audit work continues to be undertaken against the embedding of EDI in the work of the Combined Authority through all audits wherever appropriate and through specific reviews such as the EDI compliance work currently underway.



## **8. Financial Implications**

8.1 There are no financial implications directly arising from this report.

## **9. Legal Implications**

9.1 There are no legal implications directly arising from this report.

## **10. External Consultees**

10.1 No external consultations have been undertaken in the preparation of this report.

## **11. Background Documents**

11.1 There are no background documents referenced in this report.

## **12. Appendices**

- Appendix 1 – Internal Audit Progress Report
- Appendix 2 – Quality Assurance and Improvement Programme
- Appendix 3 – Internal Audit Charter 2024/25