

## Audit Committee – 21 March 2025

### Internal Audit Progress Report 2024-25 (February 2025)

Purpose	For information
Classification	Public
Executive Summary	<p>In accordance with the Public Sector Internal Audit Standards and the Council's Internal Audit Charter, the Chief Internal Auditor is required to provide a written status report to the Audit Committee.</p> <p>The Internal Audit Progress Report, attached as Appendix 1, summarises the performance of Internal Audit for 2024-25 to 28<sup>th</sup> February 2025. The report provides:-</p> <ul style="list-style-type: none"><li>• a summary of the Council's progress with implementing management actions agreed from previous audits within the analysis of 'live' audit reviews;</li><li>• executive summaries of reports published which concluded with a 'Limited' or 'No' assurance opinion as part of the 2024-25 audit work;</li><li>• a summary of planning and resourcing issues, including proposed changes to the audit plan; and</li><li>• internal audit's progress with delivering the agreed plan together with a performance dashboard.</li></ul>
<b>Recommendation(s)</b>	<b>The Audit Committee are requested to note the Internal Audit Progress Report 2024-25 (February 2025).</b>
Reasons for recommendation(s)	To keep the Audit Committee apprised of internal audit's progress with delivering the agreed plan, together with summaries of significant issues identified, and the Council's progress with implementing agreed actions.
Ward(s)	All Wards

Portfolio Holder(s)	Councillor Jeremy Heron – Finance and Corporate
Strategic Director(s)	Alan Bethune, Strategic Director of Corporate Resources and Transformation. S151 Officer
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## Introduction and background

1. Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:
  - ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk; and
  - undertaking an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control.
2. In accordance with the Public Sector Internal Audit Standards and the Council's Internal Audit Charter, the Chief Internal Auditor is required to provide a written status report to the Audit Committee, summarising:

‘communications on the internal audit activity's performance relative to its' plan.’
3. The progress report, attached as Appendix 1, summarises the performance of Internal Audit for 2024-25 to 28<sup>th</sup> February 2025. The report confirms that 60% of audits have reached the reporting stages with the remaining 40% of audits in various stages of progress. Four new requests to defer audits have been received and have been considered when developing forward audit plans.
4. The progress report confirms that no further audits have concluded with a 'Limited' or 'No' assurance opinion since our previous update.

5. We have received confirmation that ten management actions have been completed since the previous update and a further three actions in relation to the Fraud Framework will be completed in March (pending Audit Committee approval). There are several long-standing actions in particular, which have been previously reported as overdue, which need to be reconsidered within the current context facing the Council. Internal Audit will work with the Council to agree a process to expediently re-assess the actions for continued relevance, and will provide support and advice when needed, but must remain independent of the decision-making process. It is imperative that the Council continue to own their actions, any decisions made are fully documented, endorsed by the relevant Director/EMT and reported through to the Audit Committee in due course.

### **Corporate plan priorities**

6. The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively. The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.

### **Options appraisal**

7. No alternative options have been considered as this report is a requirement under relevant legislation and standards.

### **Consultation undertaken**

8. This report has been discussed with the Executive Management Team.

### **Financial and resource implications**

9. The audit plan consists of 400 audit days including 18 audit days provided to the New Forest National Park Authority under the current Service Level Agreement. The Council's budget for 2024-25 reflects these arrangements.

### **Legal implications**

10. There are no additional implications arising from this report.

### **Risk assessment**

11. No formal risk assessment is required.

### **Environmental / Climate and nature implications**

12. There are no additional implications arising from this report.

### **Equalities implications**

13. There are no additional implications arising from this report.

### **Crime and disorder implications**

14. There are no additional implications arising from this report.

### **Data protection / Information governance / ICT implications**

15. There are no additional implications arising from this report.

#### **Appendices:**

Appendix 1 – Internal Audit  
Progress Report 2024-25 (February  
25)

#### **Background Papers:**

Internal Audit Plan 2024-25  
Internal Audit Charter 2024-25