

**NORTH LINCOLNSHIRE COUNCIL**

**AUDIT COMMITTEE**

**INTERIM INTERNAL AUDIT REPORT 2024/25**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 The interim internal audit report provides an update on Internal Audit activity up to 6 January 2025.
- 1.2 The report highlights the risks identified to the delivery of the Internal Audit Plan, and the actions being taken to mitigate those risks, including the re-prioritisation of the audit plan.

**2. BACKGROUND INFORMATION**

- 2.1 It is a requirement of the Public Sector Internal Audit Standards (PSIAS) for the Audit Committee to receive regular updates on the activities of Internal Audit, in particular:
  - bringing to the Committee's attention any issues identified during the 2024/25 audit period which could impact on the annual opinion;
  - providing assurance that sufficient work will be carried to provide a reliable risk based annual opinion on the effectiveness of the control environment and any amendments to the audit plan; and
  - providing an update on the activities which have occurred during 2024/25 in relation to quality improvement and to ensure Internal Audit's continued compliance with PSIAS.
- 2.2 A list of final reports issued up to 20 December 2024 and progress in delivering the plan is shown within the report. As at 20 December 2024 there was one limited assurance reports which has been issued.
- 2.3 The report also discusses the resources required to deliver a code compliant risk-based audit opinion by the date of 31 May 2025. The level of estimated resources required to deliver the plan has been reduced for 1025 days to 975 days based on an estimate of what is required to complete the outstanding work, and though there should be sufficient resources available to meet this target, the report highlights a number of risks which need to be managed as the resourcing of internal audit continues to be challenging.

2.4 The report also discusses the quality assurance activities which have taken place in 2024/25.

### **3. OPTIONS FOR CONSIDERATION**

3.1 In its role as the body charged with governance the Audit Committee is asked to consider the progress against the delivery of the audit plan.

### **4. ANALYSIS OF OPTIONS**

4.1 It is a requirement of the PSIAS for the Audit Committee to receive updates on progress against the delivery of the audit plan.

### **5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)**

5.1 In order to ensure that sufficient coverage is carried out to provide a reliable, risk-based opinion on the Council's control environment, additional temporary resources may be required.

### **6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)**

6.1 The delivery of the audit plan contributes to the Council's approach to risk management by identifying and testing the design and operation of controls to mitigate risk. In addition, most audit assignments provide an opinion on the prevailing residual risk.

6.2 The risks related to the delivery of the audit plan 2024/25 are included in the report. They will be closely managed during 2025.

### **7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

7.1 An Integrated Impact Assessment is not required for this specific report but one will be carried out in relation to the production of the 2025/26 Internal Audit Plan.

### **8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

8.1 It is a requirement of the Internal Audit Code of Ethics that auditors need to declare any potential relationships or interests which could potentially impair independence. If any potential conflicts are identified, then they are not allocated assignments related to them.

8.2 An audit of risk management arrangements is scheduled for 2024/25. Given that the Head of Audit and Assurance has some responsibilities for the risk management framework and the Strategic Lead for Risk and Governance reports direct to him, this audit will be carried out by a third-party audit provider.

## **9. RECOMMENDATIONS**

9.1 That the Audit Committee is asked to consider the Interim Internal Audit Report 2024/25 as part of its responsibilities for reviewing the effectiveness of Internal Audit.

### **DIRECTOR OF TRANSFORMATION AND OUTCOMES**

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#### **Background Papers used in the preparation of this report**

Internal Audit Plan 2024/25 (March 2024)

Internal Audit Plan 2024/25 Update (July 2025)