



Report to **Policy & Resources Committee**  
Date **21 November 2024**  
By **Mark Winton, Chief Internal Auditor**  
Title of Report **Update on Internal Audit Progress and Implementation of Actions**  
**Note**

**Recommendation:**

**The Committee is recommended to note progress against the Internal Audit Strategy and Annual Plan (2024/25)**

**1. Introduction**

- 1.1 This report details progress against the Internal Audit Strategy and Annual Plan 2024/25, including reports that have been issued and the implementation of actions.
- 1.2 The delivery and monitoring of this work plan is core to providing a systematic and risk-based approach to the internal audit of the Authority’s systems and services.
- 1.3 Tracking of actions ensures that agreed control improvements are implemented within agreed timescales.

**2. Policy Context**

- 2.1 The Accounts and Audit Regulations require that a “*relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance*”.
- 2.2 The Internal Audit Strategy and Plan, which was approved by Policy & Resources Committee on 29<sup>th</sup> February 2024 provides a key mechanism for providing assurance that the Authority’s internal control, risk management and governance arrangements are effective.
- 2.3 Consultations on the Internal Audit Plan continue with the Chief Finance Officer and the Chief Executive. There has been one agreed amendment to the approved Internal Audit Plan, detailed in section 4, below, and approved by Members at the June 2024 Policy and Resources committee.

**3. Issues for consideration**

Progress against 2024/25 Audit Plan

- 3.1 The following audit reports have been issued since the last progress report to this committee.

<b>Audit Title</b>	<b>Status</b>	<b>Assurance Level <sup>1</sup></b>
Creditors/ Accounts Payable	Final	Substantial
Financial Management of Project Budgets (grants) <i>Previously called Finance Project Reporting</i>	Final	Partial

<sup>1</sup> Assurance levels are defined in **Appendix I**.

3.2 Where reports have been finalised in the period, a copy of the Executive Summary for the audits are attached at **Appendix 2**.

3.3 A summary of the position for any audits not yet completed can be found in the following table:

<b>Audit Title</b>	<b>Position</b>
Health and Safety	Fieldwork complete and the draft report is in discussion with management.
Payroll	Fieldwork in progress.
Main Accounting and Budget Management	Terms of reference produced.
Asset Management	Not yet commenced.

EU grant certification work

3.4 As previously reported, in addition to the planned audit work, we are on occasion commissioned by SDNPA to undertake EU grant certification work.

3.5 No additional claims have been certified in this reporting period.

Action Tracking

3.6 **Appendix 3** provides a list of those (High & Medium) agreed management actions from previous audit reports. Details of actions which are considered confidential can be found in Exempt **Appendix 4**.

3.7 Two medium priority actions and one high priority action have been implemented. Two medium priority actions relating to the Seven Sisters Country Park audit have not yet been fully implemented, delayed in part by the October 2024 transfer of the South Downs Commercial Operations (SDCO) activities to SDNPA. One of the medium priority actions is reported in Appendix 4 as it is exempt information.

3.8 Actions relating to a further audit are reported under Appendix 4 the details of which are exempt.

**4. Amendment to the 2024/25 Internal Audit Plan**

4.1 It is important to keep the agreed audit plan under review throughout the year, to ensure that emerging risks can be reviewed as soon as they are known, in order to provide assurance over the governance arrangements and internal controls in place in order to mitigate these.

4.2 One amendment to the 2024/25 Internal Audit Plan was agreed at the Policy & Resources Committee meeting on 27 June 2024, to replace Strategic Objectives Review with an Asset Management audit.

4.3 No further amendments to the Internal Audit Plan are considered necessary at this time.

**5. Other implications**

<b>Implication</b>	<b>Yes*/No</b>
Will further decisions be required by another committee/full authority?	No
Does the proposal raise any Resource implications?	No. The Internal Audit plan should be delivered within the agreed audit fee.
How does the proposal represent Value for Money?	The Internal Audit Service is provided through a contract with Brighton & Hove City Council which forms part of a wider procurement of financial services.

<b>Implication</b>	<b>Yes*/No</b>
Which PMP Outcomes/ Corporate plan objectives does this deliver against	All PMP outcomes and Corporate plan objectives are considered as part of the annual audit planning process.
Links to other projects or partner organisations	Audit clients identified as appropriate.
How does this decision contribute to the Authority's climate change objectives	This report doesn't directly contribute to the Authority's climate change objectives.
Are there any Social Value implications arising from the proposal?	No
Have you taken regard of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010?	Yes – there are no equalities issues arising from this update report. Equalities considerations are also taken into individual audit reviews as appropriate.
Are there any Human Rights implications arising from the proposal?	No
Are there any Crime & Disorder implications arising from the proposal?	No, but the service includes the provision of advice and investigation of frauds and irregularities when required.
Are there any Health & Safety implications arising from the proposal?	No, but individual audits consider health and safety risks where appropriate.
Are there any Data Protection implications?	No, but individual audits consider GDPR issues where appropriate.

## **6. Risks Associated with the Proposed Decision**

- 6.1 Internal Audit has an important role to play in relation to effective risk management for the organisation. The SDNPA risk register is considered when developing the Internal Audit Strategy and Plan and the planning of individual audit reviews. Audit reviews and testing of controls are orientated towards these risks plus the operational controls within individual systems and services.

**Mark Winton**

**CHIEF INTERNAL AUDITOR**

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Appendices I. Assurance Opinions – Definitions

	2. Executive Summary extract reports
	3. Summary of high and medium priority actions
	4. Summary of high and medium priority actions (Exempt)
SDNPA Consultees	Interim Chief Executive; Director of Countryside Policy and Management; Interim Director of Planning; Chief Finance Officer; Monitoring Officer; Legal Services, Head of Governance; Head of Finance and Corporate Services
External Consultees	None
Background Documents	Internal Audit Strategy and Plan 2024/25 Individual audit reports