Birmingham City Council

Report to Audit Committee

10th December 2024

Title:	**INTERNAL AUDIT UPDATE: SEPTEMBER AND OCTOBER 2024**
Lead Member:	Councillor Rob Pocock, Cabinet Member for Transformation, Governance and HR
Relevant Overview and Scrutiny Committee:	Not Applicable
Has this report been shared with the relevant Overview and Scrutiny Committee Chair?	Not Applicable
Report Author:	Craig Price, Principal Group Auditor Finance and Governance craig.price@birmingham.gov.uk
Authorised by:	Fiona Greenway, Director of Finance (Section 151 Officer) Finance and Governance
Is this a Key Decision?	No Forward Plan Reference: Not Applicable
Reason(s) why not included on the Forward Plan and confirm who has authorised it to be considered:	Not Applicable
Is this a Late Report?	No
Reason(s) why Late and confirm who has authorised it to be considered:	Not Applicable
Is this decision eligible for 'call in?'	Not Applicable
If 'call-in' has been dis-applied, please provide reason(s) and confirm who has authorised:	Not Applicable

Wards: Not Applicable

Does this report contain exempt or confidential information? No

1 EXECUTIVE SUMMARY

1.1 The attached report provides an update on Internal Audit activity for September and October 2024. It summarises the key findings arising within the final reports issued.

2 COMMISSIONERS' REVIEW

2.1 Commissioners have no observations on this report.

3 RECOMMENDATIONS

That the Committee:

3.1 Note the report and update.

4 KEY INFORMATION

Context

4.1 Internal Audit provide independent and objective assurance to management and those charged with governance on the systems of internal control that have been established. This is achieved by systematically examining, evaluating, testing, and reporting on the effectiveness of the systems of internal control on a risk basis. Where weaknesses or non-compliance is found, recommendations are made to management to improve the operation of internal controls.

4.2 During September and October 2024 twenty-one final reports have been issued. The key findings identified within these reports are summarised in the attached report, Appendix A.

5 RISK MANAGEMENT

5.1 Risk management is an important part of the internal control framework.

The programme of work to rebuild risk management will be key in developing and maintaining the Internal Audit plan. It will lead to a greater visibility and a more in depth understanding of risks.

6 MEMBER ENGAGEMENT

Ward Councillor(s)

6.1 Not Applicable

Overview and Scrutiny

6.2 Not Applicable

Other

6.3 Not Applicable

7 IMPACT AND IMPLICATIONS

Finance and Best Value

7.1 There are no direct financial implications arising from the recommendations in this report. The Commercial Property Portfolio - Income Generation audit highlights that there is a backlog rent reviews and lease renewals. These need to be addressed to ensure the Council maximises its income during this Financial Recovery Phase. The Asset Sales IRP Programme Development audit highlights risks to meeting the Asset Disposals target. Remedial action must ensure the Council has adequate capital receipts to support its financial commitments.

Legal

7.2 Under the Accounts and Audit Regulations 2015 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 and guidance.

Equalities

7.3 There are no equality implications from the subject of this report.

Procurement

7.4 There are no procurement implications arising from this report.

People Services

7.5 There are no staffing implications arising from the recommendations in this report.

Climate Change, Nature and Net Zero

7.6 There are no climate change, nature and net zero carbon implications arising from the recommendations in this report.

Corporate Parenting

7.7 There are no implications or opportunities in relation to the Corporate Parenting responsibility arising from the recommendations in this report.

Other

7.8 There are no other implications arising from the recommendations in this report.

8 APPENDICES

8.1 Appendix A – INTERNAL AUDIT UPDATE: SEPTEMBER AND OCTOBER 2024.

9 BACKGROUND PAPERS

9.1 There are no Background Papers.