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OVERVIEW

This report presents the Audit and Risk Assurance Committee (ARAC) with an update on internal audit activities, specifically progress made in respect of delivery of the Internal Audit Annual Plan for 2024/25.

In the following section we have provided a status update against individual audits, including those that are underway and yet to be completed. We have also included our most recent charity sector update.

The ARAC is requested to note this report.

BDO UPDATE

ARAC - September 2024

Introduction

The main purpose of this report is to update the Audit, Risk and Assurance Committee (ARAC) on the progress made in delivering the Internal Audit (IA) plan since the last ARAC in June 2024. This report has been prepared on the basis of work performed up to 04 September 2024.

Progress of the 2024/25 IA Plan

We have made good progress in commencing the audits for the 2024/25 plan.

- The Education new approach review is in final.
- Key Performance Measures is in draft and with management for comment.
- Stakeholder Engagement, fieldwork is complete.
- Environmental, fieldwork is complete.
- Data Privacy draft terms of refence issued
- Health & Safety terms of reference issued.

Project management

Owing to the project team focusing on the completion of Business Central, the internal audit review of the new, pan-organisation project benefits management methodology was delayed.

This review has now been completed with a Final report issued to management for comment.

Changes to the Audit Plan

There have been no changes to the agreed audit plan since the last ARAC meeting in June 2024

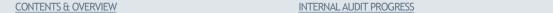
Recommendation

ARAC are requested to note this report.



INTERNAL AUDIT PROGRESS - 2024/25

				OVERALL REPORT CONCLUSIONS					
REPORT	STATUS	PLANNED DELIVERY	Actual Delivery	ASSURA	NCE LEVEL	н	M	L	TOTAL
		DATE		DESIGN	EFFECTIVENES S		141		TOTAL
Education - new approach Assurance	Final report issued	Q1	May/June 2024	Moderate	Moderate	-	-	1	1
Key performance Indicators (KPIs) Assurance	Draft report issued	Q1	June 2024	-	-	-	-	-	-
Stakeholder engagement Assurance	Fieldwork complete	Q2	Aug 24	-	-	-	-	-	-
Environmental sustainability Assurance	Fieldwork complete	Q2	Aug 24	-	-	-	-	-	-
Health & Safety Assurance	Draft TOR issued	Q2/3	Sept 24	-	-	-	-	-	-
Data Privacy Assurance	Draft TOR issued	Q3	Oct 24	-	-	-	-	-	-
Follow up	Not due	Q4	Jan 25	-	-	N/A	N/A	N/A	N/A







APPENDIX II: DEFINITIONS

LEVEL OF	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF CONTROLS		
ASSURANCE	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	
SUBSTANTIAL	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.	
MODERATE	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.	
LIMITED	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.	
NO	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.		Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.	

APPENDIX I:NOT FOR PROFIT DIGEST

HIGH	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an
півп	adverse impact on the business. Remedial action must be taken urgently.

A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.

Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

A weakness that does not have a risk impact or consequence but has been raised to highlight areas of inefficiencies or potential best practice improvements.

RECOMMENDATION SIGNIFICANCE

MEDIUM

LOW

ADVISORY

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