

**REPORT TO THE AUDIT & STANDARDS COMMITTEE  
MEETING ON: 15<sup>th</sup> December 2020**

---

**Status:** For information  
**Title:** Internal Audit – progress and performance update  
**Originator:** Trevor Croote – Audit Manager  
**Where from:** CMT / LGSS Internal Audit  
**Where to next:** N/A

---

1 Purpose of report

1.1 *To update Members on progress against the 2020/21 internal audit plan, key findings of audits completed and status of outstanding recommendations*

2 Recommendations

2.1 ***That the internal audit progress report attached at Appendix A and the updates provided in Appendix B, C and D be noted.***

3 Summary of reasons for the recommendations

3.1 To support the committee's role in ensuring good governance, strong financial management and an effective internal control environment. Additionally, to oversee the independence, objectivity, performance and professionalism of internal audit.

4 Impact on communities

4.1 Internal audit work provides assurance to management and Members that appropriate controls are in place to safeguard public money and assets. All audit assignments consider the risk of fraud and opportunities to improve value for money in the services delivered by and on behalf of the Council.

5 Key facts

5.1 **Appendix A** summarises progress against the plan together with the latest available performance information and key audit findings. At the time of approximately 71% of assignments are either complete or in progress.

- 5.2 Monitoring the implementation of audit recommendations and holding officers to account for any delays is an important function of this committee. There are currently 6 overdue recommendations of which 4 are overdue by more than three months and further details are provided in **Appendix B**.
- 5.3 The Committee's role includes approving any amendments to the Internal Audit Plan during the financial year. For reasons of timeliness and efficiency the Committee has previously agreed that any proposed amendments can be approved by the Chief Officer Finance and Assets (Section 151 Officer) in consultation with the Chairman. No amendments are proposed at this time.
- 5.4 In 2019, a self assessment was conducted against the new CIPFA guidance on the Role of the Head of Internal Audit. This resulted in a short action plan to further strengthen some of the controls in place. Updates on the implementation of these actions have been provided to the Governance and Audit Committee, for information, and the latest position is provided as **Appendix C**.
- 5.5 The additional, pro-active support provided by Internal Audit during recent months has included advice on conducting a self-assessment against the National Audit Office (NAO) Guide for Audit and Risk Committees on Financial Reporting and Management during COVID-19. A self-assessment against those areas relating to controls, risk and fraud has been conducted by management and is provided to the Committee as **Appendix D**, for information.

## 6 Legal issues

- 6.1 Section 5 of The Accounts and Audit Regulations 2015 require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes. The Council has formally delegated delivery of its internal audit function to LGSS.

## 7 Resource issues

- 7.1 The Council has commissioned LGSS to provide 235 days to deliver the 2020/21 internal audit plan. Progress against the plan is set out in Appendix A.

## 8 Equality implications

- 8.1 Any equality implications arising from audit assignments will be included in individual audit reports and summarised in Appendix A where relevant.

## 9 Impact on the organisation

- 9.1 The organisational impact of each audit assignment is included in individual audit reports and summarised in Appendix A.

- 10     Community safety implications
- 10.1   Any community safety implications arising from audit assignments will be included in individual audit reports and summarised in Appendix A where relevant.
11.     Carbon management implications
- 11.1   None as far as this report is concerned.
12.     Risk management implications
- 12.1   Any risk management implications arising from audit assignments will be included in individual audit reports and summarised in Appendix A where relevant.
- 13     Consultation
- 13.1   All internal audit reports are discussed and agreed with management before being finalised. All final reports are issued to the Governance and Audit Committee Chairman.
- 14     Options considered
- 14.1   N/A
- 15     Background papers
- 15.1   None
- 

**Previous report(s):   Internal Audit Plan 2020/21 (04/03/2020)**

**Information Issued Under Sensitive Issue Procedure: N**

**Ward Members Notified: N**

**Appendices:**

**A. Internal Audit Update – December 2020**

**B. Outstanding Audit Recommendations**

**C. Updated action plan from assessment against CIPFA Role of Head of Internal Audit self-assessment**

**D. Assessment against NAO Guide for Audit and Risk Committees on Financial Reporting and Management during COVID-19**