

**REPORT TO THE AUDIT & STANDARDS COMMITTEE
MEETING ON: 21st July 2021**

Status: For information
Title: Internal Audit – progress and performance update
Originator: Rachel Ashley-Caunt – Head of Internal Audit & Counter Fraud
Where from: CMT / Internal Audit
Where to next: N/A

1 Purpose of report

1.1 *To update Members on progress against the 2021/22 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 status of outstanding recommendations at Appendix B be noted.***

2.2 ***That the Audit Plan be amended to reallocate five days each from the budgets assigned to the Temporary Accommodation and IT Governance audits and assign the ten days to counter fraud support on facilitating the National Fraud Initiative (NFI) data matching exercise.***

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.

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 eight overdue recommendations, five of which are overdue by more than three months. 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. There is an amendment to the Plan coverage proposed for the committee's approval at this point. It is recommended that the audits of Temporary Accommodation and IT Governance be reduced by five days each. This is on the basis that:

- the testing on Temporary Accommodation may be limited due to the impact of the 'everybody in' scheme over the last twelve months, during which time the usual eligibility checks did not apply; and
- the testing on IT Governance may be targeted at reviewing the new IT strategy with testing on compliance to follow in future years.

It is proposed that the ten days be reallocated to supporting the Council's handling of the Cabinet Office's National Fraud Initiative (NFI) data matching exercises. The Internal Audit team can then facilitate this counter fraud exercise and ensure timescales are met in the upload and investigation of data sets.

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.

7 Resource issues

7.1 The Council has commissioned Internal Audit to provide 235 days to deliver the 2021/22 internal audit plan. There is no recommendation giving rise to additional days within this report. 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 Audit and Standards Committee Chairman.

14 Options considered

14.1 N/A

15 Background papers

15.1 None

Previous report(s): Internal Audit Plan 2021/22 (03/03/2021)

Information Issued Under Sensitive Issue Procedure: N

Ward Members Notified: N

Appendices:

A. Internal Audit Update – July 2021

B. Outstanding Audit Recommendations