

# Cabinet

29 September 2020

**Report of:** Head of Internal Audit

## Internal Audit Update

<b>Corporate Priority:</b>	N/A
<b>Relevant Ward Member(s):</b>	N/A
<b>Date of consultation with Ward Member(s):</b>	N/A
<b>Exempt Information:</b>	No
<b>Key Decision:</b>	No
<b>Subject to call-in:</b>	No Not key decision

### 1 Summary

- 1.1 The report updates Members on the work of the Internal Audit team and provide an update on the implementation of audit recommendations.

### 2 Recommendation

- 2.1 That Audit and Standards Committee note the report.

### 3 Reason for Recommendations

- 3.1 To ensure that members of the Committee are informed on the latest work of Internal Audit and the Council's assessment against the National Audit Office guidance.

### 4 Background

- 4.1 During the 2020/21 financial year to date, Internal Audit has been providing pro-active support to the Council in its response to the COVID-19 pandemic and work on planned assignments has been limited by Council officer availability and avoiding unnecessary disruption to services. The Audit Plan for 2020/21 has been reviewed and is, separately, presented for approval by the Audit and Standards Committee

- 4.2 As such, a full progress report on plan delivery has not been produced for the September 2020 meeting of the Audit and Standards Committee. However, this report provides an update on the work of Internal Audit during this time and an updated position on the overdue audit recommendations. A full progress report will be presented to the committee in November 2020 and will detail progress made against the updated Audit Plan.

## **5 Main Considerations**

- 5.1 In supporting the Council during this period, Internal Audit has sought to provide ongoing assurances over financial management and governance. This has been reported in the form of weekly reports to the s151 Officer and has also included a review against the National Audit Office (NAO) Guide for Audit and Risk Committees on Financial Reporting and Management during COVID-19.
- 5.2 The NAO guidance was produced to recommend questions that local authority Audit Committees may wish to ask of the Council's management at this time. In order to assist the Committee, Internal Audit has sought to support the Council in conducting a self-assessment against this guidance. A number of the sections of the guidance relate to the financial accounts and it is proposed that these will be addressed as part of reporting on the draft accounts later this year. As such, this assessment has focused upon the areas addressing internal control, fraud risks and financial management.
- 5.3 A copy of the self-assessment is provided at Appendix A.
- 5.4 During the year to date, Internal Audit has continued to seek updates on the implementation of audit recommendations. Since the last Committee update, nine audit recommendations have been completed. An updated summary of implementation of actions is provided at Appendix B. There are currently 27 actions overdue. Of these, seven are assessed as high priority and have been overdue for more than three months – these are detailed in Appendix C.

## **6 Options Considered**

- 6.1 6.1 Not applicable – no decision required.

## **7 Consultation**

- 7.1 Not applicable.

## **8 Next Steps – Implementation and Communication**

- 8.1 The regular update reports from Internal Audit should allow the Committee to develop independent assurance about the quality of the Council's internal control framework.

## **9 Financial Implications**

- 9.1 There are no financial or other resource implications arising directly from this report.

**Financial Implications reviewed by: Director for Corporate Services**

## **10 Legal and Governance Implications**

10.1 There are no legal implications arising directly from this report.

**Legal Implications reviewed by: Director for Governance and Regulatory Services**

## **11 Equality and Safeguarding Implications**

11.1 There are no equalities or safeguarding implications arising directly from this report.

## **12 Community Safety Implications**

12.1 There are no community safety implications arising directly from this report.

## **13 Environmental and Climate Change Implications**

13.1 There are no environmental and climate change implications arising directly from this report.

## **14 Other Implications (where significant)**

14.1 There are no other implications arising directly from this report.

## **15 Risk & Mitigation**

15.1 The annual Internal Audit report forms part of the evidence that supports the Council's Annual Governance Statement and provides assurance over the adequacy and effectiveness of the Council's internal controls to manage the key risks and inform risk management arrangements.

## **16 Background Papers**

16.1 Not applicable.

## **17 Appendices**

17.1 Appendix A: NAO Guide for Audit and Risk Committees on Financial Reporting and Management during COVID-19 – self-assessment

17.2 Appendix B: Implementation of audit recommendations

17.3 Appendix C: High priority actions, overdue more than three months

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