

<b>Report to</b>	Corporate Governance & Audit Committee
<b>Date of meeting</b>	28 April 2021
<b>Lead Member / Officer</b>	Cllr Julian Thompson Hill / Lisa Lovegrove – Chief Internal Auditor
<b>Report author</b>	Lisa Lovegrove – Chief Internal Auditor
<b>Title</b>	Internal Audit Update

## **1. What is the report about?**

This report provides an update for Corporate Governance & Audit Committee on Internal Audit's latest progress in terms of its service delivery, assurance provision, reviews completed, performance and effectiveness in driving improvement. It also includes an update on progress with the CIPFA Good Practice for Audit Committees.

## **2. What is the reason for making this report?**

To provide information on the work carried out by Internal Audit since the last Committee meeting. It allows the Committee to monitor Internal Audit's performance and progress as well as providing summaries of Internal Audit reports so that the Committee can receive assurance on other council services and corporate areas. This enables the committee to discharge its responsibilities as per its Term of Reference. Delivery of the audit plan will assist the committee with obtaining assurance that the Annual Governance Statement appropriately reflects the conditions of the Council.

## **3. What are the Recommendations?**

That the Committee considers the report content, assesses Internal Audit's progress and performance.

That the Committee decides whether it needs further assurance on any of the audited areas to follow up progress with implementing the improvement action plans.

#### **4. Report details**

Appendix 1 provides an update on internal audit work carried out since the last update report to the committee in January 2021. Since the last Corporate Governance & Audit Committee update report two audits have been completed, none of which were given a low assurance rating. Three follow up reviews of previous low assurance audit were also completed which are included as separate agenda items.

In light of the coronavirus pandemic, the internal audit team continues to provide advice and support in relation to changes to control arrangements affected by the pandemic and remote working requirements. Our focus is to complete priority audits planned for 2020/21 as reported to the committee in November 2020 and, while engagement from services is generally good, Covid-19 continues to impact on the pace and progression of some of our audits.

Appendix 1 shows the impact had on progress against the Audit Plan for 2020/21 due to Covid-19 and temporary reduction in audit resource as reported previously. We have successfully appointed a Senior Auditor for a 12-month fixed term contract to cover the secondment (initially a redeployment) of the Senior Auditor to the Test, Trace & Protect Team which has since been extended to September 2021. The internal audit structure carries a vacant Senior Auditor post.

The Chief Internal Auditor considers that sufficient work has taken place during the year, based on the work completed to date and that which is nearing completion, along with reliance placed on other assurance sources. Despite a reduction in audit coverage, a reliance on other assurances should enable the Chief Internal Auditor to form an Annual Opinion on governance, risk management and internal control arrangements without any scope limitations in what has been an exceptional year. The Annual Opinion will be written having regard for CIPFA's recent guidance on providing an Annual Opinion.

**5. How does the decision contribute to the Corporate Priorities?**

There is no decision required with this report. There is no direct contribution to Corporate Priorities, but some projects in the audit plan will review Corporate Priority areas and will provide assurance on their delivery.

**6. What will it cost and how will it affect other services?**

Not applicable – there is no decision or costs attached to the report.

**7. What are the main conclusions of the Well-being Impact Assessment?**

Not applicable – this report does not require a decision or proposal for change.

**8. What consultations have been carried out with Scrutiny and others?**

Not required.

**9. Chief Finance Officer Statement**

There are no financial implications attached to this report.

**10. What risks are there and is there anything we can do to reduce them?**

There is a risk that the Chief Internal Auditor is unable to draw on sufficient assurance to issue a complete annual opinion in accordance with the Public Sector Internal Audit Standards. Remaining audits are prioritised to provide coverage of governance, risk management and internal controls and scopes for these audits will focus on key risks. CIPFA has recently issued guidance on providing an annual opinion to account for any limitations.

## **11. Power to make the decision**

Not applicable – there is no decision required with this report.