

Report to	Governance & Audit Committee
Date of meeting	04 October 2022
Lead Member / Officer	Cllr Gwyneth Ellis / Bob Chowdhury – Chief Internal Auditor
Report author	Bob Chowdhury – Chief Internal Auditor
Title	Internal Audit Update

1. What is the report about?

1.1. This report provides an update for 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.

2. What is the reason for making this report?

2.1. 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?

- 3.1. That the Committee considers the report content, assesses Internal Audit's progress and performance.
- 3.2. 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

- 4.1. Appendix 1 provides an update on internal audit work carried out since the last update report to the committee in March 2022.
- 4.2. Since the last Governance & Audit Committee update report, eight audits have been completed, none of which received a low assurance rating. There have been two follow up reviews completed since the last update and summaries are included for information. One of the follow ups went to the Partnership Scrutiny Committee July 2022.
- 4.3. The service continues to make progress with delivering the Audit Plan for 2022/23, an update is provided within the Appendix 1 report. The report highlights key matters relating to the operation of the internal audit service, to include:
- The current vacancy for a Principal Auditor position has been filled by an internal promotion. The successful candidate is taking up the position with immediate effect,
 - This now leaves the team with two vacancies at Senior Auditor level and an advert is going out on the 9 September. If we are successful in appointing into these two positions, then this will leave the team with one vacancy for an Auditor.
 - This vacancy will remain vacant as the Interim Head of Service and Chief Internal Auditor are looking at restructuring the team and changing the position from Auditor to Senior Auditor. This is something that will need to go to the Council's Budget Board.
 - As of the 1 September, BIM has now moved under the New Corporate Director – Governance & Business, but the Interim management arrangements that were put in place in April have now been extended to the 31st December 2022 with Internal Audit still reporting to the Interim Head of Service for BIM.
- 4.4. The Internal Audit team continues to progress proactive counter fraud efforts. Internal Audit has been involved in an investigation arising from concerns raised by a number of employees, which has impacted progress on the delivery of assurance work. The Chief Internal Auditor continues to review the remaining

priority projects contained within the Audit Plan 2022-23 to ensure higher priority audits are delivered and suitable assurance coverage is provided for the Annual Governance Statement. This will consider assurance gained from other sources e.g. Audit Wales.

4.5. Internal audit monitors performance in relation to addressing actions arising from audit reviews. It is management's responsibility to address the actions and record progress on the performance management system (Verto). Internal Audit continues to perform a 'follow up' and reports on progress with implementing action plans arising from low assurance audits to ensure that necessary improvements are being made. Internal Audit Performance Standards show that the percentage of internal audit actions completed on time are still below target. Many actions continue to take longer to resolve than originally envisaged by services, but going forward this is an issue we are trying to address when actions are agreed with the relevant service managers.

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

5.1. 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?

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

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

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

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

8.1. Not required

9. Chief Finance Officer Statement

9.1. There are no financial implications attached to this report.

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

Sub-heading (delete as needed)

10.1. Should insufficient audit work be completed during the year, 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. Audits are prioritised to provide coverage of governance, risk management and internal controls and scopes for these audits will focus on key risks

11. Power to make the decision

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