

Report to	Governance & Audit Committee
Date of meeting	26 April 2023
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 January 2023.
- 4.2. Since the last Governance & Audit Committee update report, seven audits have been completed, none of which received a low assurance rating. As part of the follow up process, six reviews that had been awarded a high or medium assurance rating have been followed up to ensure that the outstanding actions have been completed.
- 4.3. Since the last Internal Audit update in January 2023, the consultation paper on the review of the Senior Leadership Team (SLT) has been approved and as of the 1 April 2023; Internal Audit has moved over to the newly named Finance and Audit Service and will report to Steve Gadd S.151 officer and HoS.
- 4.4. The last 12 months has seen Internal Audit carrying at least one vacancy at any one time. Due to these vacancies, a member of staff being off sick for four months and three special investigations, which have taken up a considerable amount of audit time, it has meant we have not been able to complete the Audit Plan for 2022/23 and will therefore, be carrying over a number of reviews into the new financial year.
- 4.5. The current staffing position in the January update was Internal Audit had appointed a new Principal Auditor and the two Senior Auditor posts had been converted to Career Pathway Auditors and had been filled. This meant by the middle of February Internal Audit would have its full complement of staff. Unfortunately, after just two weeks, the Principal Auditor resigned, leaving a vacancy. This post had been difficult to fill on the two previous occasions it had been advertised. After discussions with our HR specialist, the post has been changed to a Career Pathway – Principal Auditor and interviews will be taking place on the 27 April.
- 4.6. The Internal Audit team continues to progress proactive counter fraud efforts. Internal Audit has been involved in three investigations arising from whistleblowing, which has impacted progress on the delivery of assurance work. The first two allegations have been investigated and recommendations for

internal controls to be put in place or strengthened have been agreed. The third allegation is currently being investigated.

4.7. 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.

4.8. The audit agreed actions that have been implemented by service figure has been left blank because currently School reviews have not been entered on Verto which means that we are not picking up all actions and secondly, we have noted that not all Services are updating their action status on Verto. To gather all the information required, the Chief Internal Auditor is proposing to review how Internal Audit currently gather the information and what then needs to be done to ensure all information is captured going forward.

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.