

<b>Report of:</b>	Chief Executive, Veritau
<b>Submitted to:</b>	Corporate Affairs and Audit Committee, 5 March 2020
<b>Subject:</b>	Internal Audit progress report

**Summary**

<b>Proposed decision(s)</b>
That the Committee: <ul style="list-style-type: none"> <li>notes the work completed since the last progress report to this committee</li> </ul>

<b>Report for:</b>	<b>Key decision:</b>	<b>Confidential:</b>	<b>Is the report urgent?<sup>1</sup></b>
Information	No	No	No

<b>Contribution to delivery of the 2020-23 Strategic Plan</b>		
<b>People</b>	<b>Place</b>	<b>Business</b>
Agreement to note the audit findings or identify where additional assurance is required will help the Committee perform its role. Internal audit work contributes towards achieving the Council's priorities by identifying any potential control issues which may obstruct that achievement.	Internal Audit assists management in delivering their priorities by working to an annual programme of work that includes assignments linked to corporate risks and priorities, and which seeks to add value by assessing the quality of controls in place to assure delivery, ensure value for money and achieve better outcomes for local people.	Internal Audit assists management in delivering their priorities by working to an annual programme of work that includes assignments linked to corporate risks and priorities, and which seeks to add value by assessing the quality of controls in place to assure delivery, ensure value for money and achieve better outcomes for local people.

<b>Ward(s) affected</b>
None.

<sup>1</sup> Remove for non-Executive reports

## **What is the purpose of this report?**

1. To provide Members with an update on audit reports and other work completed since the last update report to this committee.

## **Why does this report require a Member decision?**

2. Internal audit professional standards require that internal audit report on the findings and conclusions of work completed. This report is an update on progress made in delivering the previously agreed internal audit plan.

## **Report Background**

3. Internal audit provides independent and objective assurance and advice about the Council's operations. It helps the organisation to achieve overall objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control and governance processes.
4. The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards. These include the Public Sector Internal Audit Standards (PSIAS), CIPFA guidance on the application of those standards in Local Government and the CIPFA Statement on the role of the Head of Internal Audit.
5. On 1 January 2020, the Council transferred its internal audit function to a new shared service company (Veritau Tees Valley Limited) of which it is a shareholder. This is the first report to this committee about the work of the Internal Audit function, following the transfer of the service to Veritau.
6. The purpose of this report is to provide an update on audit reports finalised since the last progress report to this committee in December 2019. The majority of these reports were all finalised under the previous Tees Valley Audit & Assurance Service (TVAAS).
7. Since the date of transfer we have completed a review of the 2019/20 audit plan to ensure it continues to align with the Council's priorities and to determine the programme of work that can be completed with the available internal audit resource. Following this review, we have agreed a list of audits to be completed before the end of April 2020.

## **Progress report**

8. Annex 1 summarises the work completed by internal audit since the last report to this committee. Eight reports have been finalised and the annex summarises these reports along with information on the assurance rating provided and the number of actions agreed.
9. Annex 1 also lists the remaining audits to be completed and those audits that will no longer take place in 2019/20. These audits will be considered for inclusion in the 2020/21 audit plan.
10. In addition to the audits listed above, Veritau has agreed to allocate time to support the Council in its response to the Children's Services Ofsted inspection. It is likely that this work will continue into 2020/21.

## **What decision(s) are being asked for?**

11. That the committee:

- notes the work completed since the last progress report to this committee.

## **Why is this being recommended?**

12. Internal audit professional standards require that internal audit prepare an indicative audit plan based on an assessment of risk. This report is an update on progress against the previously agreed internal audit plan.

## **Other potential decisions and why these have not been recommended**

13. This report is for information. There are no other options available.

## **Impact(s) of recommended decision(s)**

### ***Legal***

14. There are no specific risks.

### ***Financial***

15. There are no specific risks.

### ***Policy Framework***

16. There are no specific risks.

### ***Equality and Diversity***

17. There are no specific risks.

### ***Risk***

18. The Council will fail to comply with proper practice for internal audit if Members are not regularly updated on the progress of internal audit work.

## **Actions to be taken to implement the decision(s)**

19. Any requests for additional assurance or clarification by Members of the Committee will be responded to accordingly.

## **Appendices**

Annex 1 – internal audit progress report March 2020

## **Background papers**

No background papers were used in the preparation of this report

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