

Report of:	Head of Internal Audit, Veritau
Submitted to:	Corporate Affairs and Audit Committee, 30 July 2020
Subject:	Internal Audit progress report

Summary

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

Report for:	Key decision:	Confidential:
Information	No	No

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
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.

Ward(s) affected
None.

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. The purpose of this report is to provide an update on audit work carried out in 2020/21. The Council's internal audit plan was approved by this committee in March 2020.

Progress report

6. Annex 1 summarises the progress made against 2020/21 audits. There has currently been less progress made with scheduled audits than would usually be expected, as a result of Covid-19.
7. During April and May it was not possible to undertake routine planned audit work. In this time, Veritau assisted with the Council's response to the Covid-19 pandemic, providing support and advice in specific areas. This included carrying out a Covid-19 specific fraud risk assessment and providing guidance and advice on supplier relief and the process for issuing business grants. Veritau's counter fraud team has also assisted this process. Veritau also spent this time completing 2019/20 audit work, following up on previously agreed audit actions and planning 2020/21 audit work.
8. The audit plan has therefore been revised to reflect this time and an updated plan is included at Annex 2. The plan includes those audits (in bold) that have now been agreed with officers to commence. The remaining audits are possible audits that could take place, however the plan is flexible and will be updated again if the Council's priorities or risks change during the year. The list of possible audits is not exhaustive and not all of them will take place. It is expected that priorities may change as a direct result of Covid-19 and the plan will accommodate this.
9. The current financial year (2020/21) will be the first full year that Veritau will provide internal audit and counter fraud services for the Council. Annex 3 explains Veritau's processes for completing audit assignments and reporting findings. Annex 4 explains the opinions used by Veritau for audit reports along with the definitions of priority ratings for individual actions.

What decision(s) are being asked for?

10. That the committee:

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

Why is this being recommended?

11. 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

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

Impact(s) of recommended decision(s)

Legal

13. There are no specific risks.

Financial

14. There are no specific risks.

Policy Framework

15. There are no specific risks.

Equality and Diversity

16. There are no specific risks.

Risk

17. 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)

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

Appendices

Annex 1 – internal audit progress report July 2020

Annex 2 – revised internal audit plan 2020/21

Annex 3 – Veritau internal audit process

Annex 4 - Veritau opinions and action definitions

Background papers

No background papers were used in the preparation of this report

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