

Internal Audit Performance Report 2020/21

SYNOPSIS

To provide Members with an update on the progress made by LGSS Internal Audit in delivering the 2020/21 Audit Plan. This is in accordance with the Council's objective in relation to the effective use of resources.

1. Relevant Background Details

Internal Audit reviews are completed in accordance with the Internal Audit Plan, previously agreed by this Committee. This report summarises progress against the Plan. The report uses data on time spent on assignments up to and including week 36 (11th December 2020) of the 2020/21 financial year, the latest practical date for reporting to the Committee.

2. Report

2020/21 Audit Plan Progress Update

- 2.1 The Public Sector Internal Audit Standards (the Standards) require the Committee to develop a consistent focus on the effectiveness of service delivery by Internal Audit. The work of Internal Audit should deliver an appropriate range and quality of assurance about the management of the Council's most important risks. The Internal Audit Performance Report has been developed as a basis for consistent performance reporting which sets out the information required by the Committee in a format that facilitates the discharge of the requirements of the Standards.
- 2.2 Since the start of the financial year, two audit reports have been finalised. Appendix A includes more detailed information on the progress and findings of audit assignments along with performance information for the Internal Audit service.

| Audit | Control Environment | Compliance | Organisational Impact |
|-------------------------|---------------------|------------|-----------------------|
| Right to buy | Satisfactory | Good | Minor |
| Temporary accommodation | Satisfactory | Good | Minor |

- 2.3 The Committee's role as gatekeeper requires it to approve any significant in year changes to the annual Audit Plan. Since the last Committee meeting, no amendments to the Plan have been required. There may be some amendments to the Audit Plan proposed in quarter 4, in order to ensure the best possible use of resource in the lead up to the unitary transition – any such changes will be agreed with the s151 officer and Chair of the Audit and Governance Committee and reported at the subsequent committee meeting.
- 2.4 When approving the Audit Plan, it was agreed that the responsible manager would attend this Committee if a report had an assurance rating of below Satisfactory. No reports receiving less than Satisfactory have been issued during the period.

Update on outstanding Internal Audit recommendations

- 2.5 Implementation of agreed recommendations is an important measure of the effectiveness of an Internal Audit function and management action to address weaknesses in the control environment. At the date of reporting there are 18 audit recommendations which are overdue for implementation, but it should be noted that none of these are assessed as 'high priority'. Further details are included within Appendix A of this report.

3. Options to be considered (if any)

There are no direct options to be considered as a result of this report.

4. Issues to be taken into account:-

Policy Priorities

There are no direct policy issues arising from this report.

Financial

There are no direct financial issues arising from this report.

Risk

There are no direct risks arising from this report; however, failure to implement agreed internal audit recommendations could increase the Council's financial, legal and reputational risks.

Legal

Internal Audit is a statutory function as detailed in the following:

- i) Audit and Accounts Regulations 2003 [England]
- ii) Section 151 of the Local Government Act 1972

Best Value

The assurance ratings provided in respect of the Council's internal control environment are a predictor of the Council's capacity to manage its resources so as to deliver value for money.

Human Rights

There are no direct human rights issues arising from this report.

Equalities

There are no direct equalities issues arising from this report.

Sustainability

There are no direct sustainability issues arising from this report.

Community Safety

There are no direct community safety issues arising from this report.

5. Conclusion

This report provides an update of the work undertaken and the results of that work as part of the 2020/21 Audit Plan. The report demonstrates that the Internal Audit service is on track to deliver both the required range of assurance and the number of days commissioned for 2020/21.

6. Recommendation

That Members note the report and progress made by the Internal Audit team.

External Consultations

Not applicable

List of Appendices

Appendix A – Internal Audit Update January 2021

Officer to Contact

Rachel Ashley-Caunt – Head of Internal Audit, 07824 537900