

Internal Audit Progress Report

To: Audit & Accounts Committee
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From: Mairead Claydon, Head of Internal Audit and Risk Management

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1. Purpose

- 1.1 To report on the main areas of audit coverage for the period to 15th November 2022.
- 1.2 Audit & Accounts Committee is requested to review and comment on the proposed plan of Internal Audit work for the next four quarters, outlined at Section 6 of the report.

2. Background

- 2.1 The role of Internal Audit is to provide the Audit & Accounts Committee and Management independent assurance on the effectiveness of the controls in place to ensure that the Council's objectives are achieved. Internal Audit coverage is planned so that the focus is upon those areas and risks which will most impact upon the Council's ability to achieve these objectives.
- 2.2 The annual Audit Plan is split out into two elements: the 'core' plan, comprising key areas of assurance that are reviewed every year and audit support work (e.g. to working parties or panels) which is ongoing throughout the year; i.e. the areas of audit coverage that vary from year to year, with planned coverage based on a risk assessment process. More information on this approach is available at Section 6 of the main report, which presents the proposed flexible audit plan for the next four quarters.

3. Outstanding Audit Actions

- 3.1 Annex B details all 49 outstanding audit recommendations as at 15th November 2022 when this report was produced. Narrative updates on actions where the current target date is after 15th November have not been followed-up by Internal Audit in this reporting cycle and will be reported in the next Progress Report.
- 3.2 There is only one current outstanding 'Essential' recommendation which passed its target date at the end of November 2021. This recommendation relates to the completion of the IT Health Check that is required for the Council to obtain Public Services Network (PSN) certification. The IT service is hoping to re-submit an application for certification at the end of November, although achieving this target date is dependent on a major roll out of new devices across the Council.

4. Investigations Caseload

- 4.1 Section 9 of the Progress Report summarises the open whistleblowing cases currently under review by the Internal Audit Team, as well as updates on other counter-fraud work.
- 4.2 This includes a summary of the outcomes of the Council's Money Laundering Risk Assessment and an investigation of a Related Parties relationship.

- 4.3 This section also includes an update on progress with the current round of the National Fraud Initiative. Internal Audit have been co-ordinating the upload of various datasets from across the Council for the NFI, and this work was completed in advance of the 18th November deadline.

5. Audit Forward Planning

- 5.1 Section 6 of the Progress Report provides the current proposed Internal Audit Plan for the next four quarters, for comment and challenge by the Committee.
- 5.2 As usual, the Plan has been updated to reflect changing risk priorities, but also to reflect the current reduced capacity in the Internal Audit team, which is now likely to continue into Q4 2022/23.