

Internal Audit Progress Report

To: Audit & Accounts Committee

Date: 29th September 2022

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1. Purpose

- 1.1 To report on the main areas of audit coverage for the period to 14th September 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 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 50 outstanding audit recommendations as at 14th September 2022 when this report was produced. Narrative updates on actions

where the current target date is after 14th September 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. This recommendation relates to the Council re-obtaining its Public Services Network (PSN) certification. The IT service has completed two external IT Health Checks (ITHC), penetration testing, and developed a Remedial Action Plan setting out the remediation works identified as being required by the ITHC. This was submitted as part of the CCC PSN application on 2nd August 2022 in the hope of acquiring re-certification. The action plan was rejected by the Cabinet Office as having too many high severity vulnerabilities, meaning that the Council has not yet re-achieved PSN certification. The IT service have worked to reduce the number of high severity vulnerabilities from 58 to 31 as of the 12th September, and have plans in place to close a further 24 high severity vulnerabilities before the next re-submission for PSN certification. The action therefore remains open and is being progressed as a matter of priority by the IT service.

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 See also the accompanying Annual Whistleblowing Report which gives a retrospective review of whistleblowing cases in 2021/22 as well as information on the outcomes of the Council's annual whistleblowing survey.

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, however there have not been any major adjustments to the Plan since the previous report in July 2022, with most changes reflecting minor amendments to the timing of planned reviews.