

Report of	Meeting	Date
Service Lead Audit and Risk	Governance Committee	Tuesday, 27 September 2022

## Internal Audit Interim Report as at 31st August 2022

Is this report confidential?	No
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### Purpose of the Report

1. A The purpose of this report is to advise members of the work undertaken in respect of the Internal Audit Plan from April 2022 to August 2022 and to give an appraisal of the Internal Audit Service's performance to date.

### Recommendations

2. Members are asked to note the position with regard to the Internal Audit Plan.

### Corporate priorities

3. The report relates to the following corporate priorities:

<b>An exemplary council</b>	Thriving communities
A fair local economy that works for everyone	Good homes, green spaces, healthy places

### Background to the report

4. The Internal Audit Plan for the six months April to September 2022 was approved by this Committee at its meeting in April 2021 and provides for 137 days of audit work.

### Internal Audit Reports

5. **Appendix A** provides a snapshot of the overall progress made in relation to the six month Internal Audit Plan, indicating which audits have been completed and their assurance rating, those that are in progress and those that have yet to start.

6. The table below highlights the main pieces of work undertaken during the period together with any issues identified where applicable:

Name of Review	Assurance Rating	Comments
Annual Governance Statement (AGS)	Not applicable	Proactive input was provided to inform the AGS Action plan presented to the Governance Committee in May 2022.
National Fraud Initiative	Not applicable	<p>Internal Audit are currently working with data holders to meet the Cabinet Office data requirements for the forthcoming main NFI 2022/23. We need to ensure that the Council can supply all mandatory datasets by the deadline (including payroll, taxi licence, trade creditors, housing waiting list, Council Tax Reduction Scheme).</p> <p>Also, we are working with officers to ensure that any outstanding work from the previous exercises is concluded. This includes, Council Tax SPD.</p>
COVID support work / Business Grants Pre and Post Payment Assurance/ Test and Trace	Not applicable	<p>Internal Audit participated in the BEIS post payment assurance verification process; providing the required evidence to support the payments made are compliant with the grant eligibility criteria.</p> <p>In addition, assurance was provided in relation the Containing Outbreak Management Fund and Test and Trace Support Payment grant determination sign-off.</p>
Workshop Record Management	Adequate	<p>There was clear evidence of oversight and management of the following key areas:</p> <ul style="list-style-type: none"> <li>• Maintenance records</li> <li>• Goods and service are procured in compliance with the manufacturers requirements to preserve warranties;</li> <li>• Best value is being achieved where applicable.</li> </ul> <p>However, our work has identified that there is a lack of active management of the contract with FCC. There are two areas whereby the control environment could be strengthened:</p> <ul style="list-style-type: none"> <li>• Ensuring that the Consumer Price Index is applied on an annual basis;</li> </ul>

		<ul style="list-style-type: none"> <li>Performance monitoring between the Council and FCC. Whilst monthly monitoring meetings were held on a regular basis prior to COVID, the arrangements have not been re-established since.</li> </ul> <p>A dedicated officer is now in post and all actions arising from this review have been agreed for implementation.</p>
Utilities Management	Limited	A full copy of this report is included at Appendix B
Safeguarding	Substantial	Our work has established that the Council has a good level of arrangements and that established controls are operating effectively.
Community Hub Boost Fund	Not applicable	<p>Internal Audit provided advice/guidance relating to setting up a new process for administering the successful Community Hub Boost Fund applications.</p> <p>Additionally, the Risk Team is participating in the working group to go through the successful applications to consider risks and build in appropriate controls to protect the scheme funds.</p>

### Assurance Ratings Key

Assurance Rating	Definition
<b>Full</b>	the Authority can place complete reliance on the controls. No control weaknesses exist.
<b>Substantial</b>	the Authority can place sufficient reliance on the controls. Only minor control weaknesses exist.
<b>Adequate</b>	the Authority can place only partial reliance on the controls. Some control issues need to be resolved
<b>Limited</b>	the Authority cannot place sufficient reliance on the controls. Substantive control weaknesses exist

- For all the reviews completed to date, management have accepted all the findings and the agreed actions in these reports will be followed up and reported on at future meetings of this committee.

### Internal Audit Performance

- Appendix C** provides information on Internal Audit performance as at 30<sup>th</sup> June 2022. The majority of the indicators are on target as at the end of June with only the percentage of agreed actions implemented by management for SRBC being lower than the agreed target. Internal Audit have reviewed the outstanding actions and have concluded that many of these are currently in progress but are not at the stage of being fully implemented.

## **Internal Audit Developments**

9. Internal Audit have recently successfully recruited to an Audit Trainee post. Access to formal qualifications, alongside structured mentoring/in-service training will mean that there is an established plan to develop the role into a fully-fledged Auditor who is able to work independently and subsequently add value to both the Service and the organisation.

## **Climate change and air quality**

10. The work noted in this report does not impact the climate change and sustainability targets of the Councils Green Agenda and all environmental considerations are in place.

## **Equality and diversity**

11. The material presented and discussed in this report has no direct implications on equality and diversity.

## **Risk**

12. Risks are outlined through the body of the report.

## **Comments of the Statutory Finance Officer**

13. No comment

## **Comments of the Monitoring Officer**

14. No comment.

## **There are no background papers to this report**

## **Appendices**

Appendix A - Internal Audit Plan April 22 to September 22  
Appendix B – Internal Audit Review of Utilities Management  
Appendix C - Internal Audit Performance Indicators as at 30<sup>th</sup> June 2022.

## **Dawn Highton**

### **Service Lead Audit and Risk**

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