

**Name of meeting:** CORPORATE GOVERNANCE & AUDIT COMMITTEE  
**Date:** 26 NOVEMBER 2021  
**Title of report:** QUARTERLY REPORT OF INTERNAL AUDIT Q2 2021/22  
 JULY 2021 to SEPTEMBER 2021

**Purpose of report.**

To provide information about internal audit work in quarter 2 of 2021/22

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	not applicable
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	not applicable
The Decision - Is it eligible for call in by Scrutiny?	not applicable
Date signed off by Strategic Director & name	not applicable
Is it also signed off by the Service Director for Finance IT and Transactional Services?	not applicable
Is it also signed off by the Service Director for Legal Governance and Commissioning Support?	not applicable
Cabinet member portfolio	not applicable

**Electoral wards affected:** All

**Ward councillors consulted:** None

**Public or private:** Public with a private appendix

The appendix to this report is recommended for consideration in private because the information contained in it is exempt information within part 1 of Schedule 12A of the Local Government Act 1972 namely that the report contains information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption outweighs the public interest in disclosing the information and providing greater openness in the Council's decision making.

**Have you considered GDPR?** Yes

**1. Summary**

1.1 This report sets out the activities of Internal Audit in the second quarter of 2021/22.

- 1.2 A full normal work pattern has not yet been resumed. The working patterns of the entire council (“working from home”), and an inability to visit sites (and conducting some such audits virtually) continues to an extent to frustrate the ability to do internal audit work, and provide a strong level of assurance, and or requires substantial additional time for work to be completed (both from the auditor and the client). Work on fraud prevention has continued and there have been fewer staff available to carry out IA work, and whilst recruitment is being progressed, this impacted on the work achieved during quarter 2, and will also be likely to impact for the remainder of the year. Also, a number of service areas have asked that some work is deferred. Accordingly, a reduction of 22 topics (and an addition of 1 item) is proposed to the planned work as summarised in the Annex 1 to this report, these reductions are based on an assessment of imminency of risk and is also based on currently anticipated levels of resource availability.
- 1.3 A substantial amount of time was devoted to an investigation and linked audit into matters relating to homeless emergency accommodation. The planned piece of work identified a “no assurance” outcome, because of the absence of systems of controlling suppliers. The service has committed to addressing these matters promptly. All the schools visited had adequate or substantial assurance arrangements. Other planned work had positive outcomes, although the follow up on taxi licencing still identified limited assurance because of delays in implementing new (IT) systems to records information.
- 1.4 Internal Audit also continued with its activity to support a number of governance areas and has reviewed certain grants and payment regimes for stronger families, the life changes fund (a social care project) and WYMCA-Highways. We have also started work n the “FM Review”, an assessment against a cipfa standard of the quality of the councils financial management arrangements.
- 1.5 The follow up of positive assurance reports has continued, and has found that of 7 recent audits, 2 had full implementation 2 partial implementation (and responses are awaited from 3).
- 1.6 Monitoring of the implementation of matters addressed in the Annual Governance Statement, both relating to 2019/20 and 2020/21 will take place and be reported to a future meeting.
- 1.7 It was agreed at March 2018 Council that this committee consider any surveillance activities under the Regulation of Investigatory Powers Act 2000. There are none this quarter.

## 2. **Information required to take a decision**

- 2.1 The detail of the audit work performed this quarter is contained within the private Appendix.

## 3. **Implications for the Council**

- 3.1 **Working with People** – None directly
- 3.2 **Working with Partners** – None directly
- 3.3 **Place Based Working** – None directly
- 3.4 **Improving outcomes for children**– None directly
- 3.5 **Climate change and air quality**- None directly
- 3.6 **Other (e.g., Legal/Financial or Human Resources)**- Although each of the sub categorisations above suggest no direct implications, the work of internal audit covers all aspects of the Council’s operations, including elements of the above, either specifically, indirectly or on a commissioned basis. The main issues relate to those

areas highlighted above- where there are risks associated with basic processing arrangements and delivering sound governance and control.

**4. Consultees and their opinions**

There are no consultees to this report although heads of service/directors are involved in and respond to individual pieces of work

**5. Next steps and timelines**

5.1 To consider if any additional activity is sought. (Limited assurance audit outcomes are routinely followed up)

**6. Officer recommendations and reasons**

6.1 Members are asked to note the Internal Audit Quarterly Report and determine if any further action is sought on any matter identified.

6.2 Members are also asked to note that there has been no Regulation of Investigatory Powers Act activity during the period quarter 2 2021/22.

**7. Cabinet portfolio holder’s recommendations**

Not applicable

**8. Contact officer**

Martin Dearnley, Head of Risk & Internal Audit (01484 221000 x73672)

**9. Background Papers and History of Decisions**

Previous Quarterly Reports, Audit Plan, and confidential appendix.

**10. Service Director responsible**

Not applicable

**ANNEX 1**

<b><u>Audit to be Deferred</u></b>	
Attendance Management	Business Continuity
Mandatory Staff Training	Health & Safety
Primary Schools (6)	
Communications Policy	<b><u>Deferred at Service request</u></b>
Counter Fraud & Corruption	SEND
Risk Management	School Exclusion Pathway
Stores & Van Stock	Asset Data Cleansing
Charging for Care	Business Rates Relief & Exemption
Transformation Assurance	
Plant & Equipment Hire	<b><u>Audit to be added</u></b>
Wellness Model	IT Controls in Core Financial Systems

