

AUDIT COMMITTEE
20 JULY 2022

AUDIT SERVICES – ACTIVITY REPORT

SUMMARY REPORT

Purpose of the Report

1. To provide Members with a progress report of activity and proposed activity for the next period.

Summary

2. The report outlines progress to date on audit assignment work, consultancy/contingency activity.

Recommendation

3. It is recommended that the activity and results be noted and that the planned work is agreed.

Reasons

4. The recommendation is supported to provide the Audit Committee with evidence to reflect on the Council's governance arrangements.

Andrew Barber
Audit & Risk Manager

Background Papers

- (i) Internal Audit Charter
- (ii) Departmental Audit Reports

Andrew Barber: Extension 156176

S17 Crime and Disorder	Other than any special investigation work there is no crime and disorder impact.
Health and Well Being	There is no specific health and well being impact.
Carbon Impact and Climate Change	There is no specific carbon impact.
Diversity	There is no specific diversity impact.
Wards Affected	All wards are affected equally.
Groups Affected	All groups are affected equally.
Budget and Policy Framework	This report does not affect the budget or policy framework.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
Council Plan	Maintaining an appropriate oversight of risk & controls will help contribute to the delivery of the Council Plan Objectives
Efficiency	There is no specific efficiency impact.
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

MAIN REPORT

Information and Analysis

5. Members will be aware of a change in approach from traditional audit assignments to individual control testing and reporting. This requires a different approach in terms of reporting on activity and this will be developed further in the coming months. Additionally there is a move away from annual audit planning to quarterly planning to enable the service to respond more effectively to the changing risk environment.
6. The report should be considered in the context of fulfilling the function to monitor the adequacy and effectiveness of the Council's internal control environment and the Internal Audit service provided.
7. **Appendix 1** provides members with detailed feedback on the performance of the service and the position in relation to completion of audit work.
8. The first section of the report is to provide members with feedback on the management of the risks on the corporate risk register. Testing has not yet been undertaken for all risks but where testing has been undertaken an assurance level is provided, as previously reported one risk is shown at 50% assurance relates to premises risks (C3), this assurance rating is not currently indicative of the total risk as the testing to date has only examined buildings relating to adult social care establishments, the issues identified relate to risk assessments requiring review although there were assessments in place. The areas not yet tested are

included in the normal programme of work based on the audit risk assessment which takes account of the overall risk assessment.

9. The next section breaks down audit results against a set of key governance processes. As with the previous section where no assurance level is given testing is yet to be undertaken. No area is scoring below 70% which is the benchmark for substantial assurance.
10. The next section looks at service area and provides feedback on the work undertaken in the previous quarter and a summary of the work planned to be undertaken. The majority of testing undertaken has been classified as Green. One retested as Red was identified, this relates to a strategic plan for the Safeguarding Adults Board, progress has been made in developing plans but these are not finalised. One new control in relation to payments to event performers and this is in relation to a small number of duplicate payments being made, these are now being recovered.
11. The penultimate section is progress against our balanced scorecard. The key measures in this section are adequate resources and portfolio coverage. In terms of adequate resources we aim to have 15 days capacity spare to deal with any issues that may arise, for the next quarter there is a deficit on available resources, this is as a result of the service carrying a vacancy at present. Portfolio coverage identifies the number of controls that should be tested in the period, we were on target for the previous quarter.
12. The final section of the report is a full list of controls to be examined in the next period in priority order.
13. Staffing, we are currently carrying a vacancy. We will not be filling the post immediately and will be taking the opportunity to review how the section is structured before undertaking a recruitment exercise.

Outcome of Consultation

14. There was no formal consultation undertaken in production of this report.