

AUDIT COMMITTEE
25 January 2023

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	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.

MAIN REPORT

Information and Analysis

5. 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.
6. Appendix 1 provides members with detailed feedback on the performance of the service and the position in relation to completion of audit work.
7. The first section of the report is to provide members with feedback on the management of the risks on the corporate risk register. This has been updated to reflect changes to the corporate risk register. There are 3 risks where we feel current controls need to be improved, SR22, SR25 & SR42. By strengthening the controls in these areas the overall risk should reduce. There are controls showing as above the line on the risk register, audit testing provides assurance that these are being managed as well as possible and the issues are largely outside of the council's control.
8. 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.
9. 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. Two controls have been marked as Red, they relate to a specific issue, completion of the mandatory information governance

training. There are still two areas that have not achieved their target, which is an improvement on the previously reported position.

10. 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 small 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 period.
11. The final section of the report is a full list of controls to be examined in the next period in priority order.
12. 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. We should have an update on this at the next meeting.
13. An external compliance review of the service has recently been conducted, we are still awaiting a copy of the draft report.

Outcome of Consultation

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