
Internal Audit Update Report

Committee considering report:	Governance and Ethics Committee
Date of Committee:	25 April 2022
Portfolio Member:	Councillor Howard Woollaston
Report Author:	Julie Gillhespey (Audit Manager)
Forward Plan Ref:	GE4093

1 Purpose of the Report

- 1.1 To update the Committee on the outcome of Internal Audit work carried out during quarter three of 2021/22.
- 1.2 The Public Sector Internal Audit Standards (PSIAS), as adapted by CIPFA's "Local Government Application Note", require the Audit Manager to provide periodic updates to senior officers and members on performance against the Audit Plan. As stated in the Council's approved Internal Audit Charter, quarterly updates are required to be presented to the Committee.
- 1.3 The periodic reports aim to provide a progress update against the work in the Audit Plan together with highlighting any emerging significant issues/risks that are of concern.

2 Recommendation

To note the content of the report.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	None
Human Resource:	None
Legal:	None
Risk Management:	Internal Audit work helps to improve risk management processes by identifying weaknesses in systems and procedures and making recommendations to provide

	mitigation. The aim of which is to help ensure that services and functions across the Council achieve their goals and targets, and the organisation as a whole meets its plans and objectives.			
Property:	None			
Policy:	None			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Environmental Impact:		X		
Health Impact:		X		
ICT Impact:		X		
Digital Services Impact:		X		
Council Strategy Priorities:		X		

Core Business:		X		
Data Impact:		X		
Consultation and Engagement:	None			

4 Executive Summary

- 4.1 To update the Committee on the outcome of Internal Audit work completed during quarter three of 2021/22.
- 4.2 The Public Sector Internal Audit Standards (PSIAS), as adapted by CIPFA's "Local Government Application Note", require the Audit Manager to provide periodic updates to senior officers and members on performance against the Audit Plan. As stated in the Council's approved Internal Audit Charter quarterly updates are required to be presented to Committee.
- 4.3 The periodic reports aim to provide a progress update against the work in the Audit Plan together with highlighting any emerging significant issues/risks that are of concern.
- 4.4 Work completed during the quarter identified one audit where a weak opinion was given, details are set out in the main body of the report.
- 4.5 There are no significant issues of concern identified through audit work during the period that need to be highlighted to senior officers/members.

5 Supporting Information

Introduction/Background

- 5.1 A list of audit work completed is set out in Appendix A. The following table summarises the results of the audit work where an opinion was given.

Audit Type	Very weak	Weak	Satisfactory	Well Controlled	Very Well Controlled
Key Financial Systems					
Other Systems		1			
Schools			3	1	1

5.2 For this reporting period there was one central audit finalised which was given a weak opinion, see next section.

5.3 Key Findings for the Weak Opinion – Carers Payments (Adult Social Care)

- a) To put this opinion into context, we found the framework of carer support guidance to be comprehensive, and for the majority of our sample checks there was a carer assessment to evidence the financial support that was being paid. Also the value of the budget for this area is not significant being approx. £82k.
- b) The key areas of weakness were in relation to the operation and management of the one-off preventative payment procedure. One-off payments can be made up to a threshold of £500, receipts are required from the client to support any payment over £200. We noted that the majority of payments made are either £200 exactly (i.e. maximum value before receipts are required), or the maximum value allowed by the scheme. Although we can see the rationale for this approach, it does not fit in with the scheme requirement of making payments to cover an identified need and specified outcome, as this is more likely to lead to ranges of values being paid for specific needs rather than just at the two threshold values. The process being followed seems to be more of a contribution/grant payment than a specified amount to cover the identified need.
- c) We also found that receipts are usually not being provided for payments over £200, and they are not being chased as per the three reminder process set out in the scheme details.

5.4 Details of the audit work in progress and the stage reached is set out at Appendix B. Progress made against the Anti-Fraud Work Plan is set out at Appendix C.

5.5 The Audit Manager has mentioned in previous update reports that she would provide the Committee with updates regarding any COVID related audit work which would impact on the Audit Plan. As at the end of December the team had spent 81 days on Covid related grant assurance work, this work will continue for the remainder of the year.

Proposals

Members note the outcome of audit work.

6 Other options considered

Not applicable, the report is for information only.

7 Conclusion

There was only one audit given a less than satisfactory opinion in this reporting period. The Audit Team continues to undertake Covid grant assurance work which impacts on the level of planned work that can be achieved, although the impact has reduced since the second quarter.

8 Appendices

- 8.1 Appendix A – Completed Audit Work
- 8.2 Appendix B – Current Audit Work
- 8.3 Appendix C – Anti-Fraud Work Plan Update.

Subject to Call-In:

Yes: No:

- The item is due to be referred to Council for final approval
- Delays in implementation could have serious financial implications for the Council
- Delays in implementation could compromise the Council's position
- Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months
- Item is Urgent Key Decision
- Report is to note only

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