
Internal Audit Update Report

Committee considering report:	Governance and Ethics Committee
Date of Committee:	26 September 2022
Portfolio Member:	Councillor Tom Marino
Date Head of Service agreed report: <i>(for Corporate Board)</i>	12 July 2022
Date Portfolio Member agreed report:	
Report Author:	Julie Gillhespey (Audit Manager)
Forward Plan Ref:	GE4227

1 Purpose of the Report

- 1.1 To update the Committee on the outcome of Internal Audit work carried out during quarter one of 2022/23.
- 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 one of 2022/23.
- 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 did not identify any audits with a less than satisfactory opinion or unsatisfactory progress for Follow-up audits.
- 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.

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Audit Type	Very weak	Weak	Satisfactory	Well Controlled	Very Well Controlled
Key Financial Systems				2	
Other Systems			1		
Schools					

- 5.2 For this reporting period there were no completed audits given a less than satisfactory opinion. There were three follow-up audits completed all of which were given a satisfactory rating.
- 5.3 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.
- 5.4 As reported to committee previously, Internal Audit has been heavily involved in providing assurance for the payment of Covid business grants, undertaking both pre and post payment work. In June Internal Audit compiled data for a central government return which required us to state the levels of fraud/error prevented and detected, together with recovered and unrecovered payments across all of the business grant schemes operated over the last 2 years. Total value of business grants paid was £40,415,000, total value of cases where fraud/error was prevented £786,000, total value of cases where fraud/error was detected £555,000, total value of grant that should not have been paid/has not been recovered £104,000 (relating to 8 cases). This data shows the checking processes were successful in preventing/detecting a much higher level of fraudulent and erroneous payments compared with the lower value of unrecovered cases. This is a positive outcome/reflection of all of the anti-fraud work undertaken by Revenues staff and the Audit Team.

Proposals

Members note the outcome of audit work.

6 Other options considered

Not applicable, the report is for information only.

7 Conclusion

There was no work completed for the period which had a less than satisfactory opinion.

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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