

Audit and Governance Committee 28th November 2022

Report Title	Internal Audit progress report	
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List of Appendices

Appendix 1: Internal Audit progress report – November 2022

1. Purpose of Report

- 1.1 To provide the committee with a progress update on the work of the Internal Audit team and the key findings from audits completed to date.

2. Executive Summary

- 2.1 The Internal Audit plan of work is subject to ongoing review and prioritisation to ensure it focuses on the Council's key risks. Good progress is being made on progressing planned audit work, and a number of grant certifications have also been completed during the period. Since the last meeting, seven audit reports have been finalised and the key findings are summarised in Appendix 1.

3. Recommendations

- 3.1 It is recommended that the Committee:

- a) Note the progress report attached as Appendix 1.
- b) Approve the amendment to the Audit Plan for 2022/23 to remove the planned audit on Preparation for the Care Act Reforms and reallocate these audit days to an audit on secure use of Council bank accounts in adult social care settings.

- 3.2 Reason for Recommendations –

- For the Committee to exercise its duties and responsibilities within its Terms of Reference for receiving reports from the Internal Audit service

and considering the main issues arising; and agreeing any amendments in audit coverage.

4. Report Background

- 4.1 The Internal Audit service is progressing work from the audit plan. The key findings of seven audit reports which have been finalised during the period are provided within Appendix 1 for the committee's information.
- 4.2 Also provided is an overview of the key financial system audit reports relating to 2021/22. These audits were conducted by the internal audit services for the host authorities for those systems and the final reports have now been received. The Annual Internal Audit Report and Opinion for 2021/22 had noted that assurance could not be provided over those systems, pending these reports, and as such, these are now presented to the Committee to address that gap. The reports do not highlight any significant issues which would alter the opinion of 'Satisfactory Assurance' reported in the Annual Report for 2021/22.
- 4.3 A copy of the planned schedule of work for 2022/23 and the status of each assignment is provided.
- 4.4 Included within the progress report is an overview of the implementation of agreed management actions.
- 4.5 The report at Appendix 1 also includes the findings of the first rolling risk entry review. This is a new approach adopted for 2022/23 which seeks to give the Audit & Governance Committee assurance over the Strategic Risk Register entries. The approach and findings are detailed in section 5 and Table 2 of the report. The basis for selection of the risks to date has been to prioritise areas where the inherent risk was scored high, and therefore the controls listed are crucial in managing an intolerable level of risk – and also where there was no related audit coverage in 2022/23.
- 4.6 Further updates on the findings of assignments and progress made will be provided to the Committee at each meeting.
- 4.7 Following changes to the national implementation of the Care Act reforms, it is proposed that the Audit Plan for 2022/23 be amended to remove the planned audit assurance work on preparation for the reforms. There are a number of Council bank accounts in use across social care settings, including some where service user monies are held. It is proposed that independent audit work around the secure use of these accounts – such as cash handling controls, access restrictions and reconciliations – would be of value. As such, it is proposed that the audit days be reallocated to an audit of this area.

5. Issues and Choices

- 5.1 The report provides an update on delivery of the internal audit work for 2022/23. There Committee is invited to consider and approve the proposed amendments to audit coverage.

6. Implications (including financial implications)

6.1 Resources and Financial

6.1.1 None specific to this report.

6.2 Legal

6.2.1 None specific to this report.

6.3 Risk

6.3.1 None specific to this report.

6.4 Consultation

6.4.1 None specific to this report.

6.5 Consideration by Scrutiny

6.5.1 Not required on this occasion.

6.6 Climate Impact

6.6.1 None specific to this report.

6.7 Community Impact

6.7.1 None specific to this report.

7. Background Papers

7.1 None.