

# Audit Committee

25th November 2019



**Report of:** Chief Internal Auditor

**Title:** Internal Audit Activity Report for Period 1<sup>st</sup> April 2019 to 31<sup>st</sup> October 2019

**Ward:** N/A

**Officer Presenting Report:** Simba Muzarurwi, Chief Internal Auditor

## Recommendation

The Audit Committee considers the work of the Internal Audit Team (IA), during the period of 1<sup>st</sup> April to 31<sup>st</sup> October 2019, and the results thereof and agrees to the proposed amendments to the 2019/20 Internal Audit Plan.

## Summary

This Activity Report provides the Committee with an accumulative summary view of the work undertaken by Internal Audit in the period of 1st April to 31st October 2019, together with the resulting conclusions, where appropriate. Additionally, the report provides the Committee with oversight of grant certification work completed, update on the implementation of agreed IA recommendations during the period under review and individual summaries for the audit reviews that have concluded with a 'Limited' level of assurance. This is the third planned activity report for the municipal year of 2019/20.

## The significant issues in the report are:

- Current management efforts to strengthen the Council's risk and control environment need to be maintained and prioritised as only 40% of reviews completed so far have a 'reasonable' or better assurance opinion.
- The ability to attract and retain top talent is a key risk for IA as the Service continues to face staffing challenges as three colleagues have resigned in the last three months.
- 54% of recommendations followed up had been fully implemented against a target of 75% whilst 30% were partially implemented.

It is anticipated that the new audit client engagement model that increases engagement between Internal Audit and the business together with the revised process for agreeing management actions will help to improve the current control and risk position. We are also exploring options on improving the processes for following up, monitoring and reporting the implementation of agreed recommendations.

## Policy

1. Audit Committee Terms of Reference.

## Consultation

2. **Internal** - None
3. **External** - None

## Context

4. This is the third 'in year' Internal Audit (IA) Activity report to the Audit Committee marking the half-way point in the working year. The Activity reports are designed to provide the Committee with a summary view of the work completed by the Service throughout the year to date and the results of that work. The Activity reports are provided to:
  - Provide an overview of the work of Internal Audit to date.
  - Present the assurance work completed by the Internal Audit team during the period, together with the conclusions drawn from that work.
  - Update the Committee on the Internal Audit recommendations implementation rate.
  - Spotlight audit review outcomes, both positive and negative, to management and the Audit Committee for their consideration and action, where appropriate.

The Activity Report covering the period 1<sup>st</sup> April 2019 to 31<sup>st</sup> October 2019 can be found at Appendix (A).

## Proposal

5. The Audit Committee note the report.

## Other Options Considered

6. N/A

## Risk Assessment

7. The work of Internal Audit minimises the risk of failures in the Council's internal control, risk management and governance arrangements, reduces fraud and other losses and increases the potential for prevention and detection of such issues. Areas of significant risk are detailed in the report.

## Public Sector Equality Duties

8. No equality impact assessment is required for this report. The matters concern internal control, governance and risk management arrangements only.

## **Legal and Resource Implications**

**Legal** – Not sought

**Financial** – None arising from this report.

**Land/Property** – Not applicable

**Human Resources** – Not applicable

## **Appendices:**

Appendix A – Internal Audit Activity Report – Period 1<sup>st</sup> April 2019 to 31<sup>st</sup> October 2019

## **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

### **Background Papers:**

Various Audit Files