

Audit Committee

16th March 2020



Report of: Chief Internal Auditor

Title: Internal Audit Activity Report for the period of 1st April 2019 to 29th February 2020

Ward: N/A

Officer Presenting Report: Simba Muzarurwi – Chief Internal Auditor

Recommendation

The Audit Committee note the Internal Audit Activity for the period of 1st April 2019 to 29th February 2020.

Summary

This Activity Report provides the Committee with an accumulative summary view of the work undertaken by Internal Audit (IA) in the period of 1st April 2019 to 29th February 2020, together with the resulting conclusions, where appropriate. This is the fourth planned activity report for the municipal year of 2019/20.

Significant Matters Arising:

- Key messages arising from this report at Section 2 of Appendix A;
- Update on Audit Plan Progress, paragraph 3.1 and Section 5 of Appendix A
- Status of the Council Control Framework, based in IA work to date, Paragraph 3.2 and Section 5 of Appendix A
- Update on the Counter fraud activities at Paragraph 3.3 of Appendix A
- Recommendation implementation exercise update
- Value of Grants Certified by the Service in the period, Paragraph 3.5 of Appendix A
- Summaries of completed Internal Audit reviews - Appended to Appendix A

1. Policy

Audit Committee Terms of Reference

2. Consultation

Internal – Corporate Leadership Board including S151 Officer.

External – N/A

3. Context

3.1 This is the fourth Internal Audit Activity Report to the Audit Committee, covering work up to February 2020. The Activity reports are designed to provide the Committee with a summary view of the work completed by the Service throughout the year. The activity reports have been provided to the Committee on an accumulative quarterly basis covering all of the IA activities, with the exception of the November Audit Committee when a separate Counter Fraud Update report was provided. The purpose of the Activity reports is to:

- Provide an overview of the work of Internal Audit to date, and the level of assurance that can be derived from that work, in terms of the control framework within the Council.
- Present the assurance work completed and in progress by the Internal Audit team during the period, together with the conclusions we have drawn from that work.
- Spotlight audit review outcomes, where assurance has been limited. This provides the committee an opportunity to question management about progress made in remedying the control issues identified at audit.

This Fourth Activity Report in 2019/20 can be found at Appendix (A), with the key points to note provided below:

3.2 Key points arising from the Activity Report:

- 75% of planned (adjusted) assurance reviews completed to draft stage with remainder in progress
- Recommendation implementation exercise completed with management – 76% of outstanding recommendations from 2017/18 and 2018/19 now closed.
- 46% of reviews completed to date have concluded a 'Reasonable Assurance' Audit Opinion.
- 20 certifications completed to date with a total value of circa. £29m of grant funding certified
- Pro-active fraud/irregularity activity has identified approximately £780k of recoverable savings to date with other benefits and savings also identified;
- 26 properties have been recovered from tenancy fraud work for re-allocation to those with a genuine housing need. In addition, 6 housing applications or Right to buy applications have been cancelled.
- Audit Automation software procurement - approved
- Annual Governance review process is underway.

4. Proposal

- 4.1 The Audit Committee considers the accumulative work of the Internal Audit Team (IA), during the period of 1st April 2019 to 29th February 2020, and the results thereof, raising challenge where appropriate.

5. Other Options Considered – N/A

6. Risk Assessment

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

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
 - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
 - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.

8b) No Equality Impact anticipated from this report.

Legal and Resource Implications

Legal – N/A

Financial – N/A

Land – N/A

Personnel – N/A

Appendices:

Appendix A – Internal Audit Activity Report for period of 1st April 2018 to 28th February 2019

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None.