

Audit Committee

28th September 2020



Report of: Chief Internal Auditor

Title: Internal Audit Activity Report for period 1st April 2020 – 31st August 2020

Ward: City Wide

Officer Presenting Report: Simba Muzarurwi - Chief Internal Auditor

Recommendation

The Audit Committee notes the work of Internal Audit during the period of 1st April 2020 to 31st August 202 and agrees the proposed priorities for the Quarter 3 audit plan.

Summary

This report provides details of the work carried out by Internal Audit during the first and second quarter of 2020/21 to date. During Quarter 1, planned audit work was largely suspended to enable management to deal with the emergency response presented by Covid-19. This report details progress made during 2020/21 to date.

The significant issues in the report are:

- Key messages relating to the team's activities as highlighted in section 2.
- Work completed and in progress from the Q1/Q2 plan is included in Appendix 1 (audit plan) and Appendix 3 (counter fraud plan).
- Proposed areas of focus for Quarter 3 as detailed in Appendix 2.
- Reasonable assurance is given over Covid-19 response arrangements (section 4)
- Pre- payment fraud checks of business support grants has to date prevented circa £1m of payments being made due to fraud or error (section 5)
- Internal audit report summaries relating to audits where limited assurance was given are at Appendix 4
- Service improvements made during the period are included in section 6

Policy

Audit Committee Terms of Reference

Consultation

1. **Internal** - Corporate Leadership Board
2. **External** - None

Background and Context

3. This is the first formal activity report of Internal Audit considered by the Committee in this financial year. The activity reports are designed to provide the Committee with a summary of the work completed by the team throughout the year together with the results of that work. The Activity reports are provided to:
 - Provide an overview of the work of Internal Audit during the year to date
 - Present the assurance work completed by the Internal Audit team during the period together with the conclusions drawn.
 - Spotlight audit review outcomes where assurance levels provided have not been satisfactory. The relevant senior managers will attend the Audit Committee to provide an update in the implementation of agreed actions and respond to any questions Members may have.
 - Provide an overview of the work and results of the counter-fraud team
 - Provide details of service improvements and matters affecting the fitness for purpose of the Internal Audit team.
4. The Activity Report covering the period 1st April 2020 to 31st August 2020 is at Appendix A.

Proposal

5. The Audit Committee notes the work of internal audit during the period reported and reviews, comments and agrees the proposed priorities for the quarter 3 Audit Plan.

Other Options Considered

Not applicable

Risk Assessment

The work of Internal Audit minimises the risk of failures in the Councils internal control, risk management and governance arrangements, reduced 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

None necessary for this report. The matters concern internal control, governance and risk management arrangements only.

Legal and Resource Implications

Legal – Not sought

Financial – Not sought

Land - Not applicable

Personnel - Not Applicable

Appendices:

Appendix A – Internal Audit Activity Report – 1st April 2020 – 31st August 2020

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Internal Audit Files