

Audit Committee

25th January 2021



Report of: Chief Internal Auditor

Title: Internal Audit Update Report

Ward: N/A

Officer Presenting Report: Simba Muzarurwi, Chief Internal Auditor

Recommendation

The Audit Committee notes the Internal Audit Update Report and approves the amendments to the 2020/21 Internal Audit Plan. The Committee should ensure the revised plan meets its own assurance requirements.

Summary

This report provides an update on the work of the Internal Audit Service and highlights the proposed amendments to the Audit Plan. The report also covers the work relating to counter fraud activities and includes summaries of audits that have provided a limited assurance opinion since the last Committee meeting.

The significant issues in the report are:

- Work on completing the audit plan is progressing albeit slowly due to the impact of Covid19 on timely completion of audits. Consequently the audit plan has now been reviewed with the Corporate Leadership Board. The amendments made to the plan and internal audit priorities for Quarter 4 are Appendices 1 and 2.
- The management action tracking module within the Internal Audit Software is now being used to monitor and report the progress in the implementation of agreed management actions. A total of 280 actions relating to 2019/20 are currently being tracked and a full report will be presented to the Audit Committee in March.
- Key service improvements made during the period include the roll out of the agreed management action tracking system, the procurement of a strategic partner and completion of scheduled training by the team.
- Whilst tenancy fraud activities have been hampered by the pandemic, the Counter Fraud and Investigation Team continues to support the business in administering government grants to businesses and individuals.

Policy

1. Audit Committee Terms of Reference.

Consultation

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

Context

4. The role of the Internal Audit function is to provide Members and Management with independent assurance that the control, risk and governance framework in place within the Council is effective and supports the Council in the achievement of its objectives. The work of the Internal Audit Service should be targeted towards those areas within the Council that are most at risk of impacting on the Council's ability to achieve its objectives. In addition, the team provide a Counter Fraud Service to the Council to enhance arrangements for the prevention, detection and investigation of fraud.
5. This report provides an update on internal audit matters. The Committee last received an update in November 2020 and Appendix A of this report is intended to provide a further update on progress and developments since then.

Proposal

6. The Audit Committee note the internal audit update and approves the proposed amendments (*Appendices 1 and 2*) to the 2020/21 Audit Plan.

Other Options Considered

7. N/A

Risk Assessment

8. 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.

Public Sector Equality Duties

9. 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 Update Report – January 2021

Background Papers:

N/A