
Report to: Governance and Audit Committee

Date: 14 January 2021

Subject: **Internal Audit Progress Report**

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1. Purpose of this report

- 1.1. To ask members to consider the contents of the report and supporting appendices detailing progress against delivery of the annual internal audit plan and the performance of Internal Audit to date as well as the revised Internal Audit charter.

2. Information

Audit Delivery for 2020/21

- 2.1 Internal audit has a number of audit pieces underway against the 2020/21 plan, but as previously reported, the plan will need regular review and updating to reflect the changing risks and emerging priorities for the West Yorkshire Combined Authority due to both the Covid-19 crisis and the work resulting from the devolution deal.

Completed reviews since the last Governance and Audit Committee

- 2.2 Since the last Governance and Audit Committee meeting, there are no finalised reports to share. One report is out in draft and two more are nearing completion, Internal Audit continues, however, to provide significant support to the MCA workstreams as previously highlighted.

Customer Feedback

- 2.3 Feedback on the completed report on Local Transport Plan Block Funding that was shared at the last Committee has now been received and is included in the Progress Report at Appendix 1.

Fraud/ Whistleblowing/ Money Laundering

- 2.4 Details of any referrals are included in Appendix 1.

Initial considerations for the audit plan for 2021/22

- 2.5 Internal Audit has undertaken some initial work around audit planning for 21/22 that is detailed in Appendix 1. This work will continue and will include consultation with the business, in particular the Senior Leadership Team, with a view to providing the Committee with a draft plan for approval at the March Committee meeting. There will be continuous reference to the changes and risks arising in relation to becoming a Mayoral Combined Authority and this will be a focus for discussion with the business when pulling the proposed plan together.

Draft Internal Audit Charter

- 2.6 Internal Audit has updated the IA Audit Charter to ensure full compliance with Public Sector Internal Audit Standards, see Appendix 2. This now sees completion of the outstanding actions in relation to the Charter from the External Quality Assessment recommendations from last year.
- 2.7 The updated version sets out the role and place of Internal Audit within the Combined Authority and identifies its mission and purpose, authority and scope of activities. It further explains its remit in managing whistleblowing reports, anti-money laundering, fraud prevention and consulting engagements. There is also reference to the Internal Auditors Code of Ethics and explicit reference to compliance with the Committee on Standards of Public Life's Seven Principles of Public Life. The move to becoming a Mayoral Combined Authority should not require further amendments to the Charter, but this will be kept under review as required.

3. Financial implications

- 3.1 None.

4. Legal implications

- 4.1 None.

5 Staffing implications

- 5.1 None.

6. External Consultees

- 6.1 No external consultations have been undertaken.

7. Recommendations

- 7.1 That the Committee consider the internal audit progress to date and the revised Internal Audit Charter.

7.2 That the Committee provide input to the areas under consideration for inclusion in the 2021/22 audit plan.

8. Background Documents

None.

9. Appendices

Appendix 1 – Internal Audit Progress Report January 2021

Appendix 2 – Internal Audit Charter