

Report to: Governance and Audit Committee

Date: 13 January 2022

Subject: **Internal Audit Progress Report**

Director: Angela Taylor, Director, Corporate and Commercial Services

Author: Bron Baker, Head of Internal Audit

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

- 1.1. To ask members to consider the contents of the report and supporting Appendix 1 detailing progress against delivery of the current 2021-22 internal audit plan.
- 1.2. To ask the Committee to consider and approve the draft Internal Audit Charter at Appendix 2.

2. Information

Audit Delivery for 2021/22

- 2.1 Work against the plan for 21/22 is progressing, however the work is experiencing some delays due to resource issues (see 2.3 below). Two reviews have been concluded since the last Committee meeting, a summary of which is in Appendix 1 to this paper. Both these reviews were rated as reasonable.
- 2.2 There are a number of reviews currently in progress, two on contract management (one of which is now out as a draft report), financial system

(creditors), Adult Education Budget (AEB) procurement, Climate Change follow up, Covid grant support (out in draft).

Recruitment

- 2.3 As previously reported, recruitment is still in progress at the moment in relation to AEB with an initial focus on a principal auditor role and now followed by further recruitment for two senior auditors. In terms of the rest of the team, one auditor has left and the temporary resource recruited only stayed with the team for a few weeks. Recruitment has been particularly difficult across all the posts with very few applicants applying for the roles and those applying proving to be unsuitable. The team is working closely with the HR Team and is considering the design of the team to ensure that we are appropriately structured for delivery now and in the future.

Internal Audit Charter

- 2.4 The Charter has been through its annual review in line with good practice and the draft is attached at Appendix 2 to this report. No changes have been made since the Charter was last presented to the Governance and Audit Committee in January 2021.

Fraud/ Whistleblowing/ Money Laundering

- 2.5 There has been one internal fraud referral notified to audit since the last report which is being dealt with as part of an HR investigation, but which is included in this update for reporting purposes, confirmed in the progress update at Appendix 1. Work is underway to improve our processes and awareness in relation to Anti Money Laundering as reported in Appendix 1.

3. Tackling the Climate Emergency Implications

- 3.1 The internal audit plan includes work in support of climate change activity.

4. Inclusive Growth Implications

- 4.1 The internal audit plan includes work in support of inclusive growth activities.

5. Equality and Diversity Implications

- 5.1 Individual audit assignments will include consideration of equality and diversity aspects.

6. Financial Implications

- 6.1 There are no financial implications directly arising from this report.

7. Legal Implications

- 7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

8.1 As identified above, recruitment is underway and the design and structure of the team is currently being considered.

9. External Consultees

9.1 No external consultations have been undertaken.

10. Recommendations

10.1 That the Committee consider and note the internal audit progress to date.

10.2 That the Committee consider and approve the Audit Charter.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Internal Audit Progress Report January 2022

Appendix 2 – Internal Audit Charter (draft)