

Report to: Governance and Audit Committee

Date: 10 March 2022

Subject: **Internal Audit Progress Report**

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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 the delivery of the current 21/22 internal audit plan.

2. Information

Audit Delivery for 2021/22

Recruitment

- 2.1 Recruitment is still proving to be highly problematic, out of the four vacancies on the team, only one role, that of auditor, has been filled. The two senior auditor and principal auditor roles are currently out to advert again. There have been no suitable applicants for all three of these roles to date. This issue is clearly not just affecting the Audit Team or indeed the Combined Authority with colleagues in other MCAs and Local Authorities reporting similar problems. The Head of Internal Audit is working closely with the HR Business Partner to consider alternative options, in particular to bring in some temporary resource while the recruitment is underway.

Work against the audit plan

- 2.2 The team are working exceptionally hard to deliver the remaining reviews on the plan in time to inform the annual opinion, with reports aiming for completion by April/May, and progress is now really starting to come through with a number of reviews completed, but an even more significant number of reviews in progress. There is one review that received limited assurance and two advisory reports that highlight where management can consider improvements to current processes and practices. There is also a review of the Combined Authority Creditors and Purchasing system that received reasonable assurance along with another reasonable assurance report on the second stage of the AEB procurement process.

Fraud/Whistleblowing/Money Laundering

- 2.3 Good progress continues to be made on developing Anti Money Laundering processes and supporting documentation. The internal fraud case highlighted previously concerned inappropriate time recording and has now been through the internal disciplinary process and action taken. This case is now concluded.

3. Tackling the Climate Emergency Implications

- 3.1 There are no climate emergency implications directly arising from this report.

4. Inclusive Growth Implications

- 4.1 There are no inclusive growth implications directly arising from this report.

5. Equality and Diversity Implications

- 5.1 There are no equality and diversity implications directly arising from this report.

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 still underway and the design and structure of the team still needs to be addressed.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

10.1 That the Committee considers and notes the internal audit progress to date.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Internal Audit Progress Report March 2022