

## AUDIT & STANDARDS COMMITTEE

November 2020

<b>Title:</b> Internal Audit Report 2020/21 – Quarter 1 and Quarter 2 (April to September 2020)	
<b>Open Report</b>	<b>For information</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
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<b>Accountable Strategic Leadership Director:</b> Fiona Taylor, Acting Deputy Chief Executive	
<b>Summary:</b>  This report brings together all aspects of Internal Audit work undertaken to date during 2020/21. The report details audit progress and results to 30 September 2020 and includes details of the overdue high-risk recommendations outstanding and actions being taken by management to address these.	
<b>Recommendation:</b>  The Audit & Standards Committee is asked to note the contents of the report.	

### 1. Risk and Compliance Audits 2020/21

- 1.1. The risk and compliance audit plan has had four new audits added to the plan since the start of the year with seven being removed. A further four audits have had additional days allocated. This is detailed in Section 1.
- 1.2. At the end of Q2, 22% of the original plan of risk and compliance audits were at least at draft report stage. This falls just short of the target for the end of Q2 which is for 25% of audits to be at draft stage.

### 2. School Audits 2020/21

- 2.1. An exercise has been completed to risk assess the schools in the Borough to inform a risk-based schools' audit plan and work is now underway against this plan.
- 2.2. The 55 days allocated to schools' audits was increased to 60 following the risk assessment and this has been split amongst 11 schools and the follow-up work.
- 2.3. At the end of Q2, just one of the schools' audits had been completed and had therefore not met the target for the end of Q2 which is for 25% of audits to be at draft stage. This is because schools have been closed for much of the period.

### **3. Outcomes of the internal audit work**

- 3.1. Nine draft reports have been issued since the start of the year, eight from the risk and compliance plan and the school follow-up work. Four final reports have also been issued with one of these being Limited Assurance and two Reasonable Assurance. The school follow-up work does not get awarded an assurance level.

### **4. Progress in implementation of internal audit recommendations as at 30 September 2020**

- 4.1. Internal Audit tracks management progress in implementing all critical and high-risk findings by way of a chase up or follow up to the audit client accordingly.
- 4.2. There are seven outstanding overdue high-risk findings as at 30 September 2020 and these are all in the process of being followed-up.
- 4.3. There are no critical findings outstanding.

### **5. Legal Implications**

*Implications completed by: Dr Paul Feild, Senior Governance Solicitor*

- 5.1. The Local Audit and Accountability Act 2014 (the '2014 Act') requires that the Council as a relevant body must have its accounts audited. The procedure is set out in the Accounts and Audit Regulations 2015 (the 'Regulations'). Regulation 9 sets out a timetable and requires certification by the Council's responsible finance officer of the statement and then consideration by a committee to consider the statement and approve by resolution.

### **6. Financial Implications**

*Implications completed by: Katherine Heffernan, Group Manager – Service Finance*

- 6.1. Internal Audit is fully funded as part of the Council's Finance Service. It is a key contribution to the overall management and control of the Council and its stewardship of public money. The recommendations and improvements as a result of its findings will be implemented from within existing resources. There are no further financial implications arising from this report.

### **7. Other Implications**

- 7.1. Risk Management – The internal audit activity is risk-based and therefore support effective risk management across the Council.

**Public Background Papers Used in the Preparation of the Report:** None

### **Appendices**

- Appendix 1 Internal Audit 2020/21 Q1 and Q2 update
- Appendix 2 Revised Internal Audit Plan