

Report of the Head of Internal Audit Shared Service

Internal Audit Progress Report 2019/20 & 2020/21

Purpose of report

1. To provide the Committee with an update in regards to the delivery of the Internal Audit Plans 2019/20 and 2020/21.
-

Recommendation

The Treasurer recommends that the report is noted.

Introduction and Background

2. The Authority is responsible for maintaining or procuring an adequate and effective internal audit of the activities of the Authority under the Accounts and Audit (England) Regulations 2018. This includes considering, where appropriate, the need for controls to prevent and detect fraudulent activity. These should also be reviewed to ensure that they are effective. This duty has been delegated to the Treasurer and Internal Audit is provided by Worcestershire Internal Audit Shared Service (WIASS). Management is responsible for the system of internal control and should set in place policies and procedures to ensure that the system is functioning correctly.
3. This is the regular report providing Committee with an update of progress in regards to the 2019/20 and 2020/21 internal audit plan.

2019/2020 Audit Position

4. Good progress continued to be made to deliver the 2019/20 Plan with the majority of the audit work completed by March 2020. February and March 2020 required a response to two key events, flooding and the COVID-19 pandemic which impacted the plan completion. At the time of the COVID-19 pandemic lockdown there remained two reviews requiring completion and a further review that was due to commence the testing process. Business Continuity testing was in its very early stages at the point of lockdown and it was decided to defer it as the Emergency Planning Officer had been responding to the floods and then immediately moved to a response in regard to the COVID-19 outbreak thus making it very difficult to continue the audit.
5. 'Follow up' has continued in regard to previously completed audits to provide assurance that recommendations have been implemented and any risk mitigated. Where there is a programmed annual visit to an area the 'follow up' is included as part of the audit review e.g. financials.

6. For the 2019/20 Audit Plan there were no exceptions in regard to the follow up reviews or high risk areas to report to Committee for finalised reviews. With the variation of the Plan in regard to Business Continuity, as soon as the 2 remaining audits are signed off the 2019/20 Plan will be considered complete.

2020/21 Audit Position

7. The 2020/21 Internal Audit Plan was agreed at the 22nd January 2020 Committee for commencement from April 2020. It is our intention to continue to use the agreed Plan as a benchmark to which to work.
8. Due to the COVID-19 response the Plan has been slow to start during April to June. There is a need to flex the Plan as the year continues depending on available resource and events to maximise coverage. Priorities in regard to audit delivery will be discussed with the Treasurer to ensure that the key risk areas are being considered. The core financial areas will feature in any work undertaken but there is an expectation that there will be a need to roll forward to 2021/22 those reviews not completed during this financial year using a risk base approach.

Conclusion/Summary

9. The Internal Audit Plan for 2019/20 progressed steadily throughout the financial year. There remains 2 reviews to finalise, however, Business Continuity has been deferred.
10. The Internal Audit Plan for 2020/21 will continue on a priority basis agreed by the Treasurer but will not be completed in full and there will be a requirement to roll over certain reviews to the next financial year on a risk basis.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	There are no financial issues that require consideration.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	Selected audits are risk based and linked to the delivery of priorities and policy framework.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	Yes, whole report.
Consultation (identify any	N/A – no policy change is recommended

public or other consultation that has been carried out on this matter)	
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A