

## Internal Audit Progress Report as at 31 October 2022 Audit and Risk Committee – 28 November 2022



1. Introduction
2. Summary of work completed and in progress
3. Issues arising
4. Other activities
5. Service quality questionnaire feedback

# 1 Introduction

The purpose of this report is to bring the Audit and Risk Committee up to date with the progress made against the delivery of the 2022/23 Internal Audit plan.

The information included in this progress report will feed into and inform our overall opinion in our Internal Audit annual report issued at the year end.

Where appropriate each report we issue during the year is given an overall opinion based on the following criteria:

No Assurance	Limited	Reasonable	Substantial
Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

This is based upon the number and type of recommendations we make in each report. Each recommendation is categorised in line with the following:

Priority rating for issues identified		
<b>Fundamental</b> action is imperative to ensure that the objectives for the area under review are met.	<b>Significant</b> requires action to avoid exposure to significant risks in achieving the objectives for the area under review.	<b>Merits attention</b> action is advised to enhance risk mitigation, or control and operational efficiency.

## 2 Summary of work in progress as at 31 October 2022

Auditable Area	ANA Rating	Suggested/Agreed Actions					Level of Assurance
		Fundamental	Significant	Merits attention	Total	Number accepted	
<b>Completed:</b>							
Freedom of Information	Medium	0	1	1	2	2	Substantial
Fixed Asset Accounting/Asset Planning	KFS	0	0	0	0	NA	Substantial
<b>In progress:</b>							
<b>To be started:</b>							
Risk Management	High						
Governance	High						
Partnerships	Medium						
IT	High						
Data Protection	High						
Payroll	KFS						
Accounts Receivable	KFS						
Accounts Payable	KFS						

Auditable Area	ANA Rating	Suggested/Agreed Actions					Level of Assurance
		Fundamental	Significant	Merits attention	Total	Number accepted	
Budgetary Control	KFS						

Key: KFS = Key Financial System  
 ANA = Audit Needs Assessment  
 Draft = Draft report issued to client and awaiting formal response  
 NA = Not Applicable

### 3 Issues arising

#### **Freedom of Information**

A review was undertaken to provide assurance that adequate controls were in place for the dealing with and responding to Freedom of Information requests. One issue of significance was identified relating to requests not being responded to within the designated 20-day timeframe. We are awaiting a management response to the draft report. A management response has been received confirming agreement of the report and an action plan provided detailing how they will be implemented.

#### **Fixed Asset Accounting/Asset Planning**

An audit of fixed asset accounting was undertaken in respect of planned capital expenditure. The review was undertaken to provide assurance that an appropriate process was in place to maintain details of fixed assets and to record them correctly in the accounts. No issues of significance were identified.

### 4 Other activities

#### **Advice and Guidance**

We provide on-going advice and guidance to the authority to assist with the continuous improvement of the overall control environment.

#### **CIPFA – Audit Committee Updates**

We continue to present the regular CIPFA Audit Committee Updates to the Audit and Risk Committee.

#### **Internal Audit Plan 2022/23**

We submitted the Internal Audit annual plan for 2022/23 to the committee for approval at the March 2022 meeting.

#### **Internal Audit Annual Report 2021/22**

We presented the Internal Audit annual report for 2021/22 to the committee for comment and approval at the June 2022 meeting.

#### **Counter Fraud**

We continue to lead on the Cabinet Office's National Fraud Initiative and their other associated fraud related activity (such as the Annual Fraud Survey), on behalf of the authority and to provide the main point of contact for any investigations into potential fraudulent activity.

## 5 Service quality questionnaire (SQQ) feedback

Feedback to be provided when completed SQQs are received.