

Committee: Governance, Audit and Performance Committee

Date:

Thursday, 10
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Title: Internal Audit Progress Report, 16 May to 31 August 2020

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Summary

1. To report to the Governance, Audit & Performance Committee details of work undertaken by Internal Audit since the last report to the Committee on 02 June 2020 and to provide an update on the impact of the Covid-19 emergency on the work of Internal Audit.

Recommendations

2. The Governance, Audit and Performance Committee are requested to note the Internal Audit Progress Report 16 May to 31 August 2020

Financial Implications

3. None. There are no costs associated with the recommendations

Background Papers

4. None.

Impact

- 5.

Communication/Consultation	The Internal Audit Work Programme 2019/20 referred to in this report has been approved by the Corporate Management Team and endorsed by the Governance, Audit & Performance Committee.
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none

Sustainability	none
Ward-specific impacts	none
Workforce/Workplace	none

Situation

6. The purpose of this report is to provide management and members with details of:
 - i) The impact of the Covid-19 emergency on the work of Internal Audit from March 2020;
 - ii) Audit work completed by Internal Audit since the last report to the Governance, Audit & Performance Committee at its meeting 02 June 2020;
 - iii) Completion of the Internal Audit Work Programme 2019/20;
 - iv) Risk level 3 and 4 highest priority recommendations implemented since the last report to Members;
 - v) The reviews of recommendations during the Covid-19 emergency.

Impact of the Covid-19 Emergency on the work of Internal Audit

7. As previously reported to this Committee, since March 2020 the Internal Audit Manager and Internal Auditors have been working from home.
8. Internal Audit is not considered a critical service, our work priority has been to complete as far as possible the audits on the 2019/20 Internal Audit Programme and to continue to provide advice and assistance to all services during the emergency.
9. As reported to this Committee on 30 July 2020 in the Internal Audit Annual Report and Opinion 2019/20, all work relating to the 2019/20 Internal Audit Programme ceased in July 2020.
10. Due to the Covid-19 emergency, work required for completing 6 audits could not be undertaken; the decision was taken to suspend work on these 2019/20 audits and issue an Interim Reports for internal circulation only.

Redeployment Work from 22 April 2020

11. Internal Auditors have been working with the Revenues Service and the Benefits Service providing resources to assistance in checking Business Grant applications and Benefits claims.
12. By 31 August 2020, the Internal Audit Team had provided 105 days of Covid-19 support to the Revenues and Benefit Services.

13. Due to the impact of the Covid-19 emergency the Draft Internal Audit Programme 2020/21 included in the Information Pack sent to members of this committee on 25 March 2020, has been reviewed and updated to take into consideration:

- The new and emerging risks to the Council and
- The reduced number of days that will be available for internal work during 2020/21.

14. It is anticipated that audit work on the 2020/21 programme will commence 01 September 2020.

15. The Internal Audit Strategy and Work Plan for 2020/21 is presented as a separate agenda item for this Committee at its meeting on 10 September 2020.

Work Undertaken by Internal Audit 16 May to 31 August 2020

16. Since the last report to the Committee:

- i) Between 16 May and 31 August 2020, no further audits from 2019/20 were completed and or final reports issued.
- ii) On 14 July 2020, work on the final remaining open audit was suspended and an internal Interim Report issued.

Recommendations Implemented 16 May to 31 August 2020

17. Two level 3 recommendations were implemented during this period; a summary is presented at Appendix A.

Reviews of Recommendations March 2020

18. Due to the impact of the Covid-19 emergency on the ability of services to implement recommendations in March 2020 we undertook a review of all recommendations with an original due date between 31 March and 30 June 2020 and amended due dates of recommendations to 30 June 2020.

19. A further review was undertaken in June 2020. Again in consultation with the senior officers involved, we have amended due dates of recommendations to 30 September 2020 or later.

20. Further reviews will be undertaken periodically from September 2020.

Risk Analysis

21.

Risk	Likelihood	Impact	Mitigating actions
The issues highlighted in the internal audit reports are not acted upon	1 Action is already being taken towards the implementation of the recommendations contained in the reports	2 There would be varying levels of impact from non-implementation of recommendations given the significance of the control risks identified	Internal audit reports are followed up to ensure compliance. There are escalation procedures in the event of non-compliance

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.