

Agenda Item 34.

TITLE 2020/21 Internal Audit & Investigations - Quarter 2 Progress Report

FOR CONSIDERATION BY Audit Committee on 23 November 2020

WARD None Specific

LEAD OFFICER Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

Public assurance about the Council's risk, control and governance environment.

RECOMMENDATION

The Audit Committee is asked to note the 2020/21 Internal Audit and Investigation Quarter 2 Progress Report.

SUMMARY OF REPORT

This update report details:-

- The overall outcomes and key themes from Internal Audit and Investigations work undertaken during the first half of 2020-21; and
- Provides assurance that no new areas of less than satisfactory levels of assurance have been identified in the period.

Background

Public Sector Internal Audit Standards (PSIAS) require that an annual report on the work of Internal Audit should be prepared and submitted to those charged with governance to support the Council's Annual Governance Statement (AGS), as required by the Accounts and Audit Regulations (England) 2015.

In addition, the Director of Resources & Assets (Section 151 Officer) has a statutory duty under Section 151 of the Local Government Act 1972 to establish a clear framework for the proper administration of the authority's financial affairs. To perform that duty, the Section 151 Officer relies, amongst other things, upon the work of Internal Audit in reviewing the operation of systems of internal control and financial management. Internal Audit carries out the work required to satisfy this legislative requirement and reports its findings and conclusions to the Audit and Committee.

The aim of the report attached at Appendix A is to cover these legislative requirements and it also provides a summary of the Council's investigation activities, as required to be reported in accordance with the Council's Anti Fraud and Anti Corruption Strategy.

The 2020/21 Internal Audit and Investigation Plan was approved by the Audit Committee in February 2020. The emphasis on developing the Internal Audit Plan was based on mandatory and legislative requirements and the risks set out in the Corporate Risk Register (CRR) and it is clearly targeted at assisting the Council in achieving its key objectives.

Whilst a number of audit reviews are effectively considered as mandatory (key financial systems, particularly high risk items etc), others enter or leave the Audit Plan based on the CRR uncontrolled risk rating and the views of officers and Members. As such, the Plan is fluid and is regularly realigned to accommodate changes to the CRR, thereby ensuring that it remains current and focussed on the key risks affecting the Council. An in year review of the 2020/21 Audit and Investigation Plan has been undertaken and this was presented to this Committee in September 2020. This revised Plan takes account of the effects of the Covid-19 pandemic in respect of the audit and investigation work being undertaken during this financial year.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0	Yes	Revenue
Next Financial Year (Year 2)	£0	Yes	Revenue
Following Financial Year (Year 3)	£0	Yes	Revenue

Other financial information relevant to the Recommendation/Decision
An effective internal audit and investigations function mitigates financial and other risks associated with the Council achieving its objectives.

Cross-Council Implications
Internal Audit works across all areas of the Council – effective internal audit is one of the ways assurance is provided that the Council’s key priorities and objectives will be achieved.

Public Sector Equality Duty
The Equality Act 2010 places a statutory duty on the council to ensure that when considering any new or reviewed strategy, policy, plan, project, service or procedure the impacts on particular groups, including those within the workforce and customer/public groups, have been considered. This report is a non-decision making report providing an update on the work of audit and investigations.

Reasons for considering the report in Part 2
Not applicable.

List of Background Papers
2020/21 Internal Audit & Investigations Plan

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