

TITLE	Update on Internal Audit & Investigations including Quarter 1 Plan for 2021/22
FOR CONSIDERATION BY	Audit Committee on 22 February 2021
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:-

- 1) to note the 2020/21 Internal Audit and Investigation Progress Report;
- 2) to approve the Internal Audit & Investigation strategy for 2021/22; and
- 3) to approve the quarter 1 plan for 2021/22.

SUMMARY OF REPORT

This report recommends that the Audit Committee considers and approves the Internal Audit and Investigation Programme of work for Quarter 1 of the 2021/22 financial year. This recommendation is being made to ensure that the Shared Audit and Investigation Service (SAIS) remains flexible and agile in planning its work to assist the Council meet its statutory requirements during the current climate and ensures an ongoing focus on the Council's key corporate risks.

This report:-

- Provides assurance that no new areas of less than satisfactory levels of assurance have been identified in the period;
- Sets out the strategic approach to audit planning for 2021/22;
- Sets out the proposed quarter 1 plan for 2021/22 noting the need for flexibility and careful prioritisation of activity.

2020/21 – Key Findings to date

The Audit Committee received a detailed report at its meeting of 23 November showing progress made against the 2020/21 Internal Audit & Investigations Plan.

To date, there have been no audits where the audit assurance was less than level 2 i.e. internal controls "substantially complete and effective."

In this current period, the team is focused on completing the remaining parts of the 2020/21 plan with an emphasis on major financial systems audits. From the fieldwork completed, there are no matters of significance to bring to the Committee's attention.

The annual report of the Head of Audit will be brought to the next meeting of the Committee.

2021/22 – Internal Audit & Investigations Strategy

These are unprecedented times and 2020/21 has been a period of significant uncertainty as Councils have responded to the Covid-19 pandemic and their changing risk profiles. In addition, the significant impact on the way Council staff work including Audit and Investigation activity, has led to a re-profiling of planned audit activities as Council staff respond to the pandemic.

The situation remains uncertain and it is important for the Audit and Investigation team to continue to remain agile at this time, enable flexibility and be a responsive audit function during a period of uncertainty. As such, it is proposed that for 2021/22, we move to a quarterly planning cycle to ensure that we can be forward thinking and reactive to potential further uncertainties. This Committee will be given full details of what work is programmed each quarter, what has been achieved and what is coming up next.

The overall 2021/22 Internal Audit Strategy is attached as Appendix A to this report. This outlines the role, scope and purpose of Internal Audit, the 2021/22 Audit Planning process, resourcing, reporting arrangements and Internal Audit's requirements to conform to the Public Sector Internal Audit Standards (2017).

2021/22 – Quarter 1 Internal Audit & Investigations Plan

In addition, the purpose of this report is also to present to the Committee the proposed 2021/22 Audit and Investigation Programme of work for Quarter 1 covering the period from 1 April 2021 to 30 June 2021. This is attached at Appendix B to this report.

Developing the programme of work has followed a similar process that would be used to prepare the annual Audit and Investigation Plan, including management's assessment of risk and our own risk assessment of the Council's major systems and other auditable areas and work undertaken to date. It has involved consultation with Corporate Leadership Team, the review of risk registers and external guidance where appropriate, comparison with other authorities, and our knowledge of the impact of the pandemic on this organisation and the delivery of its services.

Quarterly update reports on progress and performance of the service will continue to be provided to management and this Committee.

The 2021/22 Audit and Investigation Strategy will come into effect from 1 April 2021 and the Audit and Investigation Quarterly Work Programmes will come into effect on the commencement of each quarter. Progress on delivering each Quarters Plan will be reported to the Committee on a regular basis in line with the Council's reporting cycle.

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
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

Contact Andrew Moulton	Service Governance
Telephone No Tel: 07747 777298	Email andrew.moulton@wokingham.gov.uk

This page is intentionally left blank