

TITLE	2021/22 Internal Audit and Investigation Quarter 2 Work Programme and Quarter 1 Progress Update
FOR CONSIDERATION BY	Audit Committee on 28 July 2021
WARD	None Specific
LEAD OFFICER	Andrew Moulton, Assistant Director, Governance

OUTCOME / BENEFITS TO THE COMMUNITY

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

RECOMMENDATION

The Audit Committee is asked to approve the 2021/22 Internal Audit and Investigation Quarter 2 Work Programme and note the progress of work against the Quarter 1 Work Programme (attached as Appendix A).

SUMMARY OF REPORT

The Audit Committee approved the 2021/22 Audit and Investigation Strategy at its meeting on 22 February 2021. This included agreement to move to a quarterly planning cycle rather than an annual one. This report presents for approval, the 2021/22 Quarter 2 Audit and Investigation Work Programme, and asks the Committee to note the progress with the Quarter 1 Work Programme.

These recommendations are being made to ensure the Council has adequate Internal Audit and Investigation coverage for 2021/22 and to ensure that the Council meets its legislative requirements. In addition, the requirements of the Committee's Terms of Reference and to enable Internal Audit to give an overall opinion on the Council's internal control and risk framework at the end of the financial year.

Background

These are unprecedented times and 2021/22 continues to be a period of uncertainty as Councils are starting their recovery from the Covid-19 pandemic and seeking manage the impact on their risk environment. This has continued to impact on the way Council staff work and this has included Audit and Investigation activity, the nature of the work we are able to carry out and the extent to which we are able to deliver our planned audit activities as Council staff respond to the pandemic.

At its meeting on 22 February 2021, the Committee agreed that for the 2021/22 financial year, Internal Audit would move to a quarterly planning cycle rather than an annual plan in order to better and more flexibly respond to emerging priorities and focus.

Developing the programme of work for Quarter 2 has followed a similar process that would be used to prepare the annual Audit and Investigation Plan, including management's assessment of risk and Internal Audit's risk assessment of the Council's

major systems and other auditable areas and work undertaken to date. It has involved consultation with officers, the review of risk registers and external guidance where appropriate, comparison with other authorities, and Internal Audit's knowledge of the impact of the pandemic on this organisation and the delivery of its services.

The proposed 2021/22 Audit and Investigation Programme of work for Quarter 2 covering the period from 1 July 2021 to 30 September 2021 is attached at Appendix A.

The Quarter 2 Work Plan at Appendix A also incorporates work an update on work undertaken in Quarter 1 and work carried forward. The start of the year has seen Internal Audit completing work carried forward from the 2020/21 financial year. There has also been an impact on commencing a number of audit reviews of key corporate risks that were planned for the period, although work has commenced in respect of discussing and scoping work with management in each of those areas. These audits are planned to continue during Quarter 2.

To date, for work completed during the period, there have been no audits where the audit assurance was less than level 2 i.e. internal controls "substantially complete and effective." For the work completed, there are no matters of significance to bring to the Committee's attention.

The Committee is asked to note that the Royal Borough of Windsor & Maidenhead has given notice that they will end the shared service with effect from 1 April 2022. This will need careful management through 2021/22 to mitigate any impact on the delivery of Wokingham Borough Council's internal audit plan.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

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

Other financial information relevant to the Recommendation/Decision

Nil

Cross-Council Implications (how does this decision impact on other Council services, including properties and priorities?)

Not applicable

Reasons for considering the report in Part 2
Not applicable

List of Background Papers
None

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