

TITLE	2021-22 Internal Audit and Investigation Work Programme And Progress Update for First Five Months To 31 August 2021
FOR CONSIDERATION BY	Audit Committee on 15 September 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 (AC) is asked to approve the 2021/22 Internal Audit and Investigation Work Programme (including Quarters 1 and 2, previously approved) and note the progress in achieving this Work Programme in the first five months of the year to 31 August 2021 (attached as [Appendix A](#)).

SUMMARY OF REPORT

The AC 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 due to the impact of the Covid-19 pandemic on the council's services and the associated internal audit work programme. The AC initially approved the Quarter 1 and 2 Work Programmes on 22 February and 28 July respectively. As working arrangements begin to normalise and we enter the second half of the financial year, this report updates and presents to Members the internal audit work programme for the full year, incorporating audits for the remainder of the year (end Quarter 2, Quarters 3 and 4). In addition, it presents, for Members to note, the progress in achieving the 2021/22 Work Programme in the first five months of the year to 31 August 2021. These recommendations are being made to ensure the Council has adequate Internal Audit and Investigation coverage for 2021/22 and that the Council meets its legislative requirements. In addition, to meet the requirements of the AC's Terms of Reference and to enable the Chief Audit Executive to give an overall opinion on the Council's internal control and risk framework at the end of the financial year.

Background

The overall 2021/22 Internal Audit Strategy, outlining 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) was presented to this AC on 22 February 2021

As part of this Strategy, at this meeting, the AC agreed that for the 2021/22 financial year, the Shared Audit and Investigation Service (SAIS) would move to a quarterly planning cycle rather than an annual plan. This was to enable the service to remain flexible and agile in planning its work and to be responsive to changes during the period of uncertainty due to the Covid-19 pandemic and whilst the Council adapts to its changing risk profiles. In addition, to enable internal audit to focus efforts on providing advice and support to services over the Council's control environment, especially where significant changes to working practices have been required, as well as enabling the team to focus on areas such as preventative fraud in areas, for example, with the increased Government Grants and payments being made by Councils.

The audit Work Programmes for Quarters 1 and 2 of the 2021/22 financial year were subsequently approved by AC on 22 February and 28 July respectively.

As the Council moves through the recovery period and the situation normalises, it is proposed that for the work programme for the full year, incorporating the remainder of the 2021/22 financial year, now be presented to AC for approval.

This will enable the AC to have an overview of the audits being undertaken during the year that will contribute to informing the Chief Audit Executive's Annual Opinion on the Council's internal control, risk management and Governance framework, as required under the Public Sector Internal Audit Standards and to ensure there are no significant gaps in coverage, that could potentially occur with quarterly planning.

Developing the programme of work for the 2021/22 financial year has included managements' 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. Work over the financial year, as previously reported, will focus on a number of the Council's Key Corporate risks, which will also aim to further strengthen the links between the Council's Corporate Risk Register and the Internal Audit and Investigation Plan. In addition, ensuring coverage of key financial systems in areas where coverage was reduced during 2020/21 due to the impacts of the Covid-19 pandemic on service areas, as well as including audit activity in the areas of governance, servicing the business and investigations.

Appendix A includes progress on achieving the 2021/22 Audit and Investigation Plan in the first five months of the year. The Interim Internal Audit and Investigation Report on the work of internal audit and investigations for the first six months of the year will be reported to management and then AC on 30 November 2021, in addition to ongoing periodic update reports on progress and performance of the service.

We are working with our partner to the SAIS, RBWM, who gave notice in April 2021 that they do not intend to continue the Shared Service Partnership beyond 31 March 2022. As previously reported, this has impacted on resourcing within the team as recruitment

to vacant posts has been put on hold during the transition period of dissolving the Shared Service partnership. This is being carefully managed through the transition period so as to reduce, as far as possible, the impact on the delivery of the Audit and Investigation Plan. As part of this, a review is currently in progress to ensure that the shape of the WBC Internal Audit and Investigation function meets the requirements of the Council and its clients going forward from the 2022/23 financial year.

Analysis of Issues

The AC should ensure that it receives the coverage, performance and results of Internal Audit and Investigation activity and any other appropriate additional assurances.

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)	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

Not applicable

Public Sector Equality Duty

Please confirm that due regard to the Public Sector Equality Duty has been taken and if an equalities assessment has been completed or explain why an equalities assessment is not required.

This report is a non-decision-making report and hence an Equality Impact Assessment is not required. In undertaking our audit and investigative work, we ensure we have regard for equalities.

List of Background Papers

None

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