

Agenda Item 45.

TITLE	2021/22 Internal Audit and Investigation Work Programme Update to 31 October 2021
FOR CONSIDERATION BY	Audit Committee on 30 November 2021
WARD	None Specific
GENERAL MANAGER	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 (AC) is asked to note the progress of audit and investigation activity against the 2021/22 Work Programme as at 31 October 2021 (attached as [Appendix A](#)).

SUMMARY OF REPORT

The AC approved the 2021/22 Audit and Investigation Strategy and Quarter 1 Work Programme at its meeting on 22 February 2021. The Quarter 2 and remaining Work Programme for 2021/22 were agreed at subsequent AC meetings. This report is presented for Members to note the progress in achieving the 2021/22 Audit and Investigation Work Programme as at 31 October 2021. This recommendation is being made to ensure that the Council has adequate Internal Audit and Investigation coverage for 2021/22 and that it 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 AC 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. In addition, this enabled the service to continue to remain flexible and agile in planning its work and to be responsive to changes during the period of the Covid-19 pandemic and the recovery process.

The AC initially approved the Quarter 1 and 2 Work Programmes on 22 February and 28 July respectively and this was updated at the 15 September meeting to provide the Work Programme for the whole of the 2021/22 financial year.

[Appendix A](#) updates Members on the status of work against the approved 2021/22 Audit and Investigation Plan as at 31 October 2021 and where audits have been completed, the overall audit opinion given.

Since the last progress report to this Committee on 15 September, which summarised audit activity to 31 August 2021, work has commenced on key Corporate Risks, specifically, an internal audit review of Corporate Governance, which has resulted in the development of a Toolkit for Statutory Officers to regularly monitor the Council's Corporate Governance arrangements against its Local Code of Corporate Governance. This will aim to inform Statutory Officers of any areas requiring specific focus and also will enable a better embedding of Corporate Governance across the Council. In addition, this will inform the preparation of the Council's Annual Governance Statement (AGS) to ensure that significant governance issues arising from the associated AGS Action Plan are reviewed on a regular basis. This internal audit work in this area has also been used to inform the current external Peer Review process, which was in progress at the time of preparing this report.

In respect of the audit of Climate Change, work has been undertaken with the auditees to scope the audit, which will include using specialist expertise to complement the team's work in this area.

Further, in respect of Equalities and Diversity, two audits are scheduled. The first is a review of Data Collection and this has been scoped, an approach agreed and the substantial work is ready to commence. However, the scoping work has identified a need to clarify policy and we are awaiting the outcome of this work before commencing the fieldwork to ensure that we add the maximum value to management. We will complete this audit in Quarter 4. The second audit is an assessment against the Local Government Association equality framework and data collection for this assessment has commenced, with the audit due to complete in early January 2022.

Work has commenced in respect of a number key financial systems audits.

For work completed during the year to date, 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.

As the team is going through a period of transition due to the dissolution of the Shared Audit and Investigation Service on 31 March 2022, temporary resource has been secured to assist the team with the delivery of the audit and investigation Work Programme to the end of March 2022, as recruitment to permanent posts was requested to be put on hold during the period of transition.

Work has continued as at the start of November in taking forward the redesign proposal for Internal Audit and Investigation with effect from 1 April 2022. A number of Workstreams have been identified to prepare for the new Service to be in place progress against these Workstreams was recently presented to CLT.

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 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

Not applicable

Reasons for considering the report in Part 2

Not applicable

List of Background Papers

None

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