

Internal Audit Progress Report (February 2022)

Audit & Scrutiny Committee – Tuesday 22 March 2022

Report of: Neil Pitman – Head of Southern Internal Audit Partnership
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Purpose: For information

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report provides an overview of internal audit activity against assurance work completed in accordance with the approved audit plan (2021-22) and to provide an overview of the outstanding management actions.

This report supports the Council's priority of: Building a better Council

Contact officer Anna D'Alessandro Interim Chief Finance Officer and Section 151 Officer ADAlessandro@tandridge.gov.uk

Recommendation to Committee:

That the Committee notes the Internal Audit Progress Report – February 2022

Reason for recommendation:

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny Committee

Introduction and background

- 1 Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:
 - ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk; and
 - undertaking an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.

- 2 In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny Committee, summarising:
 - The status of 'live' internal audit reports (outstanding management actions);
 - an update on progress against the annual audit plan;
 - a summary of internal audit performance, planning and resourcing issues; and a summary of significant issues that may impact on the Chief Internal Auditor's annual opinion.

- 3 Appendix A summarises the activities of internal audit for the period up to February 2022.

- 4 The progress report provides a clear and transparent articulation of internal audit activity, performance, and outcomes during the period up to February 2022.

- 5 Due to ongoing transformational projects across the finance team the management actions relating the Treasury Management and Accounts Receivable have now become obsolete and consequently removed from section 4 of the progress report. Full end-to end audits of these services have been included in the 2022-23 internal audit plan to provide assurance over the new control framework(s) in place.

Key implications

Comments of the Chief Finance Officer

The Progress Report on Internal Audit provides the Council an important insight into areas of risk for the Council where its key processes are not functioning effectively, and their improvement must be prioritised. There are however no direct financial implications of this report.

Comments of the Head of Legal Services

The Accounts and Audit Regulations 2015 came into effect on 1 April 2015 and require councils to undertake an effective Internal Audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.

The Progress Report on Internal Audit is intended to ensure that effective systems of internal control are in place. This protects the Council and its Officers and provides an assurance to stakeholders and residents regarding the security of the Council's operations.

Equality

In consideration of impacts under the Public-Sector Equality Duty the proposal within this report do not have the potential to disadvantage or discriminate against different groups on the community.

Climate change

There are no environmental / sustainability implications associated with this report.

Appendices

Appendix 'A' – Internal Audit Progress Report – February 2022

Background papers

None.