

Cherwell District Council

Account Audit and Risk Committee

17 March 2021

Internal Audit Progress Report 2020/21

Report of the Director of Finance

This report is public

Purpose of report

The report presents the Internal Audit Progress report for 2020/21

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the progress with the 2020/21 Internal Audit Plan and the outcome of the completed audits.

2.0 Introduction

- 2.1 This report provides an update on the Internal Audit Service, including resources, completed and planned audits.
- 2.2 Each progress report includes the Executive Summaries from the individual Internal Audit reports finalised since the previous update to the committee and also an update on the implementation of agreed management actions.

3.0 Report Details

Resources

- 3.1 Since the last update to the January 2021 meeting, there have been no further changes to the Internal Audit resources, with no vacant positions. Recruitment has been completed for the appointment of the final vacant counter fraud post (Intelligence Officer) and pre-employment checks are currently being undertaken, with a start date to be agreed.

2020/21 Plan Progress

- 3.2 The 2020/21 Internal Audit Plan, which was agreed at the July 2020 Accounts, Audit & Risk Committee, is attached as Appendix 1 to this report. This shows current progress with each audit. The plan and plan progress is reviewed quarterly with senior management.
- 3.3 Since the last update to the January 2021 committee, further work has been completed on Finance System Implementation. The audit of Revenues and Benefits is near completion of fieldwork. The audit of Payroll has also commenced. These audits will be completed, and reports produced by April 2021 and the executive summaries of the finalised reports included in the next update to the committee. The plan is on track for completion of all work to be finalised by the end of April 2021.

Performance

- 3.5 The following performance indicators are monitored on a monthly basis.

Performance Measure	Target	% Performance Achieved for 20/21 audits (as at 23/02/2021)	Comments
Elapsed time between start of the audit (opening meeting) and exit meeting.	Target date agreed for each assignment by the Audit manager, stated on Terms of Reference, but should be no more than 3 X the total audit assignment days (excepting annual leave etc)	80%	
Elapsed time for completion of audit work from exit meeting to issue of draft report.	15 days	100%	
Elapsed time between issue of draft report and issue of Final Report.	15 days	80%	

3.6 The other performance indicators are:

- % of 2020/21 planned audit activity completed by 30 April 2021 – reported at year end.
- % of management actions implemented – see para 3.8 below.

Implementation of Agreed Management

3.7 Outstanding management actions from 2018/19 and 2019/20 audits were taken over for monitoring from the previous internal audit provider. At the time of reporting to the July 2020 Committee and handover from the previous internal audit provider there were 27 actions still open from 2018/19 and 40 actions still open from 2019/20 audits. As at 23 February 2021 this figure has reduced, there remains 14 open from 2018/19 and 18 open actions from 2019/20. Further detail is recorded in Appendix 2. These will continue to be reviewed and followed up with senior management throughout 2021.

3.8 We have agreed a total of 36 actions for the work completed so far as part of the 2020/21 Internal Audit Plan, 13 of these actions have been implemented and one has been superseded. Of the remaining 22 actions, 14 are not yet due for implementation, five are being implemented and three have recently become due – these will be followed up throughout 2021.

3.9 At the last committee, it was requested that at the March 2021 meeting the committee were updated on the progress of implementation of actions from the 2020/21 audit of Disabled Facilities Grant Processes. A total of 12 actions were agreed for the audit, five of these have been implemented (an update on these from the service is included within Appendix 2). The remaining seven are not yet due for implementation but are in progress.

3.10 The committee had specifically requested update on the implementation of the action in relation to updating the Disabled Adaptions Policy – this was not due for implementation until 31/5/2021, however the Policy has been consulted on and the policy was adopted at Executive on 1st March 2021.

4.0 Conclusion and Reasons for Recommendations

4.1 This report provides a progress update on delivery of the internal audit plan for 2020/21 and provides an update on the implementation of management actions for the committee to consider. The current plan for 20/21 is on target for delivery by the end of April 2021.

5.0 Consultation

Not applicable.

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: No alternative options have been identified as this report is for information only.

7.0 Implications

Financial and Resource Implications

7.1 There are no financial implications arising directly from this report.

Comments checked by:

Michael Furness, Assistant Director of Finance, 01295 221845
michael.furness@cherwell-dc.gov.uk

Legal Implications

7.2 There are no legal implications arising directly from this report.

Comments checked by:

Richard Hawtin, Team Leader – Non-contentious, 01295 221695
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Risk Implications

7.3 There are no risk management issues arising directly from this report.

Comments checked by:

Louise Tustian, Head of Insight and Corporate Programmes, 01295 221786
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8.0 Decision Information

Key Decision (N/A)

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

All corporate plan themes.

Lead Councillor

Councillor Tony Ilott – Lead Member for Financial Management.

Document Information

Appendix number and title

- Appendix 1 – Internal Audit Plan 2020/21 – Progress Update
- Appendix 2 – Outstanding Management Actions (as at 23/02/21)

Background papers

None

Report Author and contact details

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