

Cherwell District Council

Account Audit and Risk Committee

22 September 2021

Internal Audit Progress Report 2021/22

Report of the Director of Finance

This report is public

Purpose of report

The report presents the Internal Audit Progress report for 2021/22

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the progress with the 2021/22 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 June 2021 committee meeting, there have been no further changes to the Internal Audit or Counter Fraud resources. There are no vacant positions. One of our Senior Auditors went on maternity leave from the middle of June 2021. We are currently reviewing options to cover this absence.
- 3.2 We are continuing to support team members to compete both the Chartered Internal Audit Qualification and the Certified Internal Audit Qualification. Two of the Senior Auditors have recently passed one of the Certified Internal Audit exams,

their studies are continuing. The Assistant Auditor and Counter Fraud Intelligence Officer are undertaking apprenticeships.

2021/22 Plan Progress

- 3.3 The 2021/22 Internal Audit Plan, which was agreed at the June 2021 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.
- 3.4 Since the last update to the June 2021 committee, the audits Cyber Security Follow Up, ICT Remote Working, PCI (Payment Card Industry) Compliance have been completed. The executive summaries are included within Appendix 3 to this report.
- 3.5 An overall conclusion grading of Red has been provided for the audit of PCI Compliance. A management response/update has been included within Appendix 3 to accompany the executive summary.

Performance

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

Performance Measure	Target	% Performance Achieved for 21/22 audits (as at 02/09/2021)	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)	100%	(78% 2020/21)
Elapsed time for completion of audit work from exit meeting to issue of draft report.	15 days	100%	(100% 2020/21)
Elapsed time between issue of draft report and issue of Final Report.	15 days	0%*	(88% 2020/21)

*Based upon the issue of three final reports. Each did not meet PI – exceeded by 1-2 weeks for each report, due to additional time needed with officers to confirm agreement and develop robust action plans. Delays not considered to be significant, findings had already been raised through prompt issue of draft reports.

3.7 The other performance indicators are:

- % of 2021/22 planned audit activity completed by 30 April 2022 – reported at year end.
- % of management actions implemented – see para 3.9 below.

Implementation of Agreed Management –

3.8 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 02 September 2021 this figure has reduced, there remains 6 open from 2018/19 and 5 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.

3.9 We have agreed a total of 68 actions for the work completed as part of the 2020/21 Internal Audit Plan, 38 of these actions have been implemented and 6 have been superseded. Of the remaining 24 actions, 14 are not yet due for implementation, 5 are being implemented and 5 have recently become due. For the work completed so far during 2021/22, a total of 29 actions have been agreed. Of these 29 actions, 11 have been implemented, 15 are not yet due, 1 is being implemented and 2 have recently become due – these will be followed up throughout 2021.

4.0 Conclusion and Reasons for Recommendations

4.1 This report provides a progress update on delivery of the internal audit plan for 2021/22 and provides an update on the implementation of management actions for the committee to consider. The current plan for 21/22 is on target for delivery by the end of April 2022.

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
richard.hawtin@cherwell-dc.gov.uk

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
louise.tustian@cherwell-dc.gov.uk

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 2021/22 – Progress Update
- Appendix 2 – Outstanding Management Actions (as at 02/09/2021)
- Appendix 3 – Executive Summaries of finalised audits

Background papers

None

Report Author and contact details

Sarah Cox, Chief Internal Auditor, sarah.cox@cherwell-dc.gov.uk