

# **Cherwell District Council**

## **Account Audit and Risk Committee**

**28 September 2022**

### **Internal Audit Progress Report 2022/23**

#### **Report of the Director of Finance**

This report is public

#### **Purpose of report**

The report presents the Internal Audit Progress report for 2022/23

#### **1.0 Recommendations**

The meeting is recommended:

- 1.1 To note the progress with the 2022/23 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 A full update on resources was made to the Accounts, Audit & Risk Committee in May 2022 as part of the Internal Audit Strategy and Plan for 2022/23. Since then, one of our Senior Auditors has resigned and will be leaving us in October. Work has commenced on recruitment to fill this post. We are currently in the process of holding interviews for both a Counter Fraud apprentice and an Internal Audit apprentice.
- 3.2 We are continuing to support team members to complete professional training. One of our Senior Auditors has one exam left to complete of the Certified Internal Audit

Qualification. The Counter Fraud Intelligence Officer is continuing with his apprenticeship. Once in post the two new apprentices (Internal Audit and Counter Fraud) will commence their apprenticeships.

## 2021/22 Plan Progress

- 3.3 The 2022/23 Internal Audit Plan, which was agreed at the May 2022 Accounts, Audit & Risk Committee, is attached as Appendix 1 to this report. This shows current progress with each audit. The plan and plan progress are reviewed quarterly with senior management.
- 3.4 Since the last update to the May 2022 committee, the audits of Cyber Security 2022/23 and IT Infrastructure 2022/23 have been completed. The executive summaries are included within Appendix 3 to this report. Also included within Appendix 3 is the executive summary for the finalised audit of Key Financial Systems 2021/22, which was at draft report stage when we reported to the May 2022 committee but has since been finalised. There have been additions to the plan as we have been required to certify 3 additional grant claims.

## Performance

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

<b>Performance Measure</b>	<b>Target</b>	<b>% Performance Achieved for 22/23 audits (as at 07/09/2022)</b>	<b>Comments</b>
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%	Previously reported year-end figures:  67% 2021/22 78% 2020/21
Elapsed time for completion of audit work from exit meeting to issue of draft report.	15 days	100%	Previously reported year-end figures:  100% 2021/22 100% 2020/21
Elapsed Time between receipt of management responses to draft report and issue of final	10 days	100%	Previously reported year-end figures:  56% 2021/22 88% 2020/21

report.			
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3.6 The other performance indicators are:

- % of 2022/23 planned audit activity completed by 30 April 2023 – reported at year end.
- % of management actions implemented – see paragraphs below.
- % of repeat findings/actions (relative to the number of actions raised within the year) – reported at year end.

### **Implementation of Agreed Management Actions**

3.7 Outstanding management actions from 2018/19 and 2019/20 audits were taken over for monitoring from the previous internal audit provider. It should be noted that significant progress has been made by officers to address and implement these with now only 5 actions still open and in progress. Further detail is recorded in Appendix 2. These will continue to be reviewed and followed up with senior management throughout 2022/23.

3.8 We agreed a total of 68 actions for the work completed as part of the 2020/21 Internal Audit Plan, 55 of these actions have been implemented and 7 have been superseded. Of the remaining 6 actions, 4 are not yet due for implementation, and 2 have recently become due. We agreed a total of 82 actions for the work completed as part of the 2021/22 Internal Audit Plan, 52 of these actions have been implemented and 2 have been superseded. Of the remaining 28 actions, 14 are not yet due for implementation, and 14 have recently become due. For the work completed so far during 2022/23, a total of 19 actions have been agreed. Of these 19 actions, 15 have been implemented, 1 is not yet due, 3 are being implemented – these will be followed up throughout 2022 and 2023.

## **4.0 Conclusion and Reasons for Recommendations**

4.1 This report provides a progress update on delivery of the internal audit plan for 2022/23 and provides an update on the implementation of management actions for the committee to consider. The current plan for 22/23 is on target for delivery by the end of April 2023.

## **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](mailto:michael.furness@cherwell-dc.gov.uk)

### Legal Implications

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

Comments checked by:

Helen Lolas, Team Leader, Legal Services, Telephone: 07801 400 941 and email:  
[Helen.Lolas@Cherwell-DC.gov.uk](mailto:Helen.Lolas@Cherwell-DC.gov.uk)

### Risk Implications

7.3 There are no risk management issues arising directly from this report. Any risk arising in the future will be managed through the service operational risk register and escalate to the leadership risk register as and when necessary.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 01295 221556  
[Celia.prado-teeling@cherwell-dc.gov.uk](mailto:Celia.prado-teeling@cherwell-dc.gov.uk)

### Equalities and Inclusion Implications

7.4 There are no equalities and inclusion implications arising directly from this report.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 01295 221556  
[Celia.prado-teeling@cherwell-dc.gov.uk](mailto:Celia.prado-teeling@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 Adam Nell – Portfolio Holder for Financial Management.

### **Document Information**

#### **Appendix number and title**

- Appendix 1 – Internal Audit Plan 2022/23 – Progress Update
- Appendix 2 – Outstanding Management Actions (as at 07/09/2022)
- 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](mailto:sarah.cox@cherwell-dc.gov.uk)

