

Cherwell District Council

Account Audit and Risk Committee

25 January 2023

Internal Audit Progress Report 2022/23

Report of the Assistant 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 left us in October. Work on recruitment to fill this post is ongoing. We have successfully recruited to our Counter Fraud apprentice and Internal Audit apprentice roles, both started at the end of October, and they have already commenced their professional apprenticeship training
- 3.2 We are continuing to support team members to complete professional training. In addition to the two new apprentices, the Counter Fraud Intelligence Officer is near to

completion of his apprenticeship. One of our Senior Auditors has one exam left to complete of the Certified Internal Audit Qualification. The previous Internal Audit Apprentice has completed her apprenticeship and been appointed as an Auditor, we are now supporting her to complete the Certified Internal Audit Qualification.

2022/23 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 September 2022 committee, the audits of Health & Safety, Temporary Accommodation, IT Disaster Recovery and also Revenues and Benefits have been completed. The executive summaries are included within Appendix 3 to this report.

Performance

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

Performance Measure	Target	% Performance Achieved for 22/23 audits (as at 04/01/2023)	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)	83%	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	67%	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 report.	10 days	100%	Previously reported year-end figures: 56% 2021/22 88% 2020/21 Change in measure

- 3.6 The performance indicator for the issue of draft reports is lower than expected. This is because two audits did not meet the PI, however in both cases they missed the target by 1 week.
- 3.7 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

- 3.8 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 1 action still open and in progress. Further detail is recorded in Appendix 2. This will continue to be reviewed and followed up with senior management throughout 2022/23.
- 3.9 We agreed a total of 68 actions for the work completed as part of the 2020/21 Internal Audit Plan, 57 of these actions have been implemented and 7 have been superseded. Of the remaining 4 actions, 3 are not yet due for implementation, and 1 has recently become due. We agreed a total of 82 actions for the work completed as part of the 2021/22 Internal Audit Plan, 63 of these actions have been implemented and 2 have been superseded. Of the remaining 17 actions, 3 are not yet due for implementation, and 14 have recently become due. For the work completed so far during 2022/23, a total of 54 actions have been agreed. Of these 54 actions, 29 have been implemented, 12 are not yet due, 13 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

Legal Implications

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

Comments checked by:

Shiraz Sheikh, Assistant Director Law and Governance & Monitoring Officer, email:

shiraz.sheikh@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 escalated 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

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

Sustainability Implications

7.5 There are no sustainability implications arising directly from this report.

Comments checked by:

Jo Miskin, Climate Action Manager, 01295 221748, jo.miskin@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 Finance

Document Information

Appendix number and title

- Appendix 1 – Internal Audit Plan 2022/23 – Progress Update
- Appendix 2 – Outstanding Management Actions (as at 04/01/2023)
- Appendix 3 – Executive Summaries of finalised audits

Background papers

None

Report Author and contact details

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