

| Report for: | GOVERNANCE, AUDIT AND RISK MANAGEMENT AND STANDARDS COMMITTEE(Non-Executive) |
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| Date of Meeting: | 30th November 2022 |
| Subject: | INFORMATION REPORT – Internal Audit and CAFT Year-End Reports 2021/22 |
| Responsible Officer: | Dawn Calvert, Director of Finance & Assurance |
| Exempt: | No |
| Wards affected: | All |
| Enclosures: | Appendix 1 – Internal Audit Year-end Report 2021/22  Appendix 2 – CAFT Year-end Report 2021/22 |

| Section 1 – Summary and Recommendations |
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| This report sets out the 2021/22 year-end report for Internal Audit and that includes the Head of Internal Audit’s overall audit opinion on the control environment and the CAFT 2021/22 year-end report.  The report is presented to enable the Committee to fulfil the requirements of its Terms of Refence to:   * To consider reports from the Head of Internal Audit on internal audit’s performance at mid-year and year-end, including the performance of external providers of internal audit services.   **FOR INFORMATION** |

## Section 2 – Report

**Background**

2.1. Annually the GARMS Committee considers a mid and full year reports from Internal Audit covering progress against the agreed annual plan to help fulfil its purpose in accordance with the Committee’s Terms of Reference.

**Internal Audit Year-End Report (Appendix 1)**

2.2. Overall the Internal Audit Team has achieved only 50% of the 2021/22 annual internal audit plan which is below the 90% target – the reasons for this are known by the Committee and are detailed in the attached report. This did however include 100% achievement of the core financial systems reviews. A total of 106 recommendations were made to management to improve internal controls of which 100% were agreed for implementation exceeding the 95% target.

2.3 Appendix 1 details the Head of Internal Audit’s draft Opinion, provides a summary of all the work undertaken during the year, covers the direction of assurance travel and the performance of Internal Audit against the agreed key performance indicators.

**CAFT Year-End Report (Appendix 2)**

2.4 Of the 15 work streams contained within the plan, 10 (67%) were achieved, 1 (7%) was partially achieved, 1 (7%) was not achieved and 3 (20%) were not undertaken.

2.5 Appendix 2 provides a summary of outcomes from the work of the Corporate Anti-Fraud Team during 2021/22, details work undertaken in addition to the plan, the performance of the Anti-Fraud Team against the agreed key performance indicators and summaries fraud referrals, outcomes and savings achieved.

## Legal Implications

Accounts & Audit Regulations 2015

**Internal audit**

#### 5.(1) A relevant authority must 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.

## Financial Implications

There are no financial implications to this report, the Internal Audit service was delivered within budget for 2020/21.

## Risk Management Implications

Risks included on corporate or directorate risk register? **No**

Separate risk register in place? **No**

The relevant risks contained in the register are attached/summarised below.  **n/a**

The main risk relating to the performance of the internal audit service is as follows:

|  |  |  |
| --- | --- | --- |
| **Risk Description** | **Mitigations** | **RAG Status** |
| Insufficient work is undertaken during the year to enable an overall audit opinion to be produced by the Head of Internal Audit | * Production of an annual plan to guide the work of the team * Performance management of the team * Performance management reporting to GARMS Committee * An adequately resourced IA team and/or appropriate working methods to ensure adequate coverage |  |

## Equalities implications / Public Sector Equality Duty

N/A

## Section 3 - Statutory Officer Clearance

As this is an information report legal / finance / Corporate Director clearances are not necessary.

## Mandatory Checks

### Ward Councillors notified: ~~YES\*~~/ NO\*, as it impacts on all Wards

## Section 4 - Contact Details and Background Papers

**Contact:** Susan Dixson, Head of Internal Audit & Corporate Anti-Fraud, 02084241420

**Background Papers**: None.

If appropriate, does the report include the following considerations?

1. Consultation ~~YES~~ / NO

2. Priorities YES / ~~NO~~