

**Report for: GOVERNANCE, AUDIT
AND RISK
MANAGEMENT AND
STANDARDS
COMMITTEE
(Non-Executive)**

| | |
|-----------------------------|--------------------------------------------------------------------------------------------------|
| Date of Meeting: | 30 th 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

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 Reference 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 | <ul style="list-style-type: none">• 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 Dixon, 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 |