



AUDIT & GOVERNANCE COMMITTEE
23 March 2021

Internal Audit Progress Report – Quarter 3 (01/10/20 – 31/12/20)

SUMMARY AND PURPOSE:

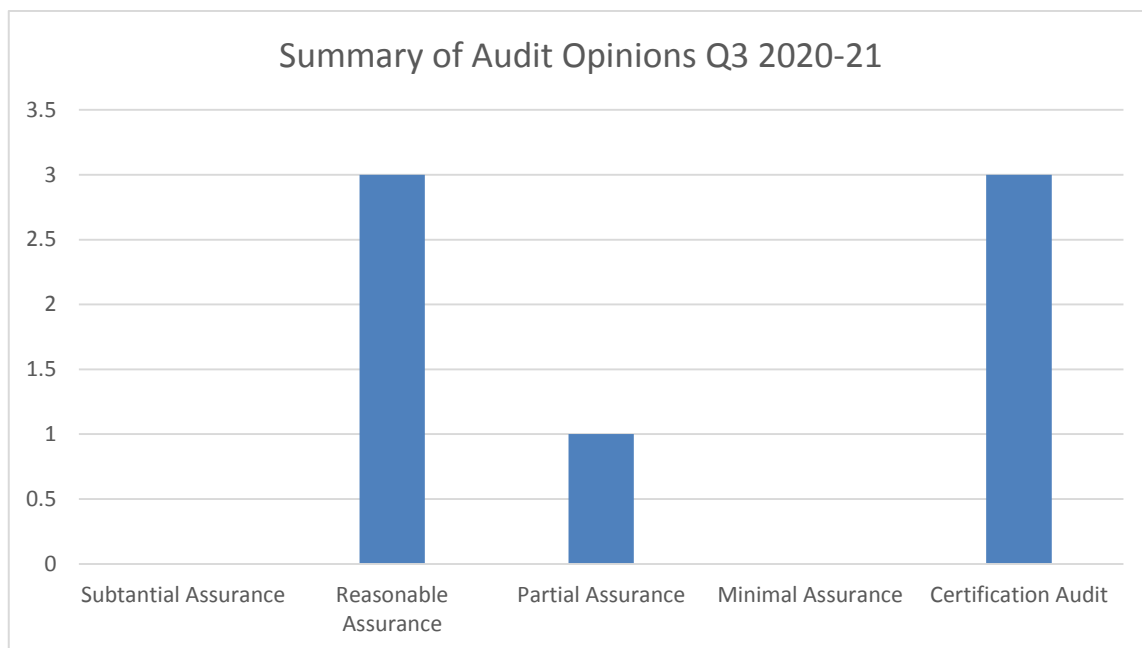
1. The purpose of this progress report is to inform members of the work completed by Internal Audit between 1 October 2020 and 31 December 2020.
2. The original annual plan for Internal Audit was contained within the Internal Audit Strategy and Annual Plan 2020-21, which was approved by this Committee on 22 May 2020. A revised seven-month annual plan, following the suspension of the original plan during the early stages of the COVID-19 pandemic, was approved by this Committee on 26 November 2020. Since that revised plan was approved, there has been some further disruption to planned work with the increase in pandemic infection rates through quarter three, leading up to the renewed national lockdown of 4 January 2021.

RECOMMENDATIONS:

3. The Committee is asked to note the report and consider any further action required in their response to issues raised.

BACKGROUND:

4. Key audit findings from final reports issued during Quarter 3 are summarised in Appendix A.
5. Reviews completed in this quarter included a mixture of COVID-19 support activities, planned and unplanned audits, grant certification work, and irregularity work. Overall, of the 4 formal audits finalised during the quarter (excluding grant and irregularities), 3 received 'reasonable assurance' opinions, and 1 received 'partial assurance'.
6. Other activity undertaken has included the provision of support or advice to projects and programmes in development at the council. Such work does not formally produce an opinion but actively contributes to improvements in the control environment.



7. Formal follow up reviews continue to be carried out for all audits where 'minimal assurance' opinions have been given, and for higher risk areas receiving 'partial assurance'. There were three follow-up reviews completed in quarter three of 2020/21 relating to our reviews of Health & Safety, General Data Protection Regulations (GDPR) and Surveillance Cameras that were originally undertaken as part of the 2019/20 annual plan. We were able to upgrade the opinions for Health & Safety and GDPR from Partial Assurance to Reasonable Assurance following our reviews, but the opinion on Surveillance Cameras remained at Partial Assurance due to limited progress in implementing agreed actions.
8. Members will recall that flexibility was built into the audit plan to allow resources to be directed to any new and emerging risks. This has been particularly relevant during the first half of 2020/21 following the impact of the COVID-19 pandemic on the council and led us to suspend the audit plan for the first two quarters to provide alternative support to the council, as previously reported to this Committee. We continue to liaise with departments to identify emerging risks as business-as-usual is continued to be affected by the pandemic.
9. Appendix A to this report provides details of the completed work in quarter three, including counter fraud investigations completed, information on the tracking of high priority actions and progress against our performance targets.

IMPLICATIONS:

10. Financial;
Equalities;
Risk management; and
Value for money
11. There are no direct implications (relating to finance, equalities, risk management or value for money) arising from this report. Any such matters highlighted as part of the audit work referred to in this report, would be progressed through the agreed Internal Audit Reporting and Escalation Policy

WHAT HAPPENS NEXT:

12. See Recommendations above.

REPORT AUTHOR: Russell Banks, Orbis Chief Internal Auditor
David John, Audit Manager (Surrey County Council)

CONTACT DETAILS: telephone: 07824 362739 e-mail: russell.banks@eastsussex.gov.uk
telephone: 07768 235586 e-mail: david.john@surreycc.gov.uk

Sources/background papers: Internal Audit Strategy and Annual Audit Plan 2020/21
Revised seven-month Internal Audit Plan 2020/21

This page is intentionally left blank