

**AUDIT & GOVERNANCE COMMITTEE**  
29 November 2021

**Internal Audit Progress Report – Quarter 2 (01/07/21 – 30/09/21)**

**SUMMARY AND PURPOSE:**

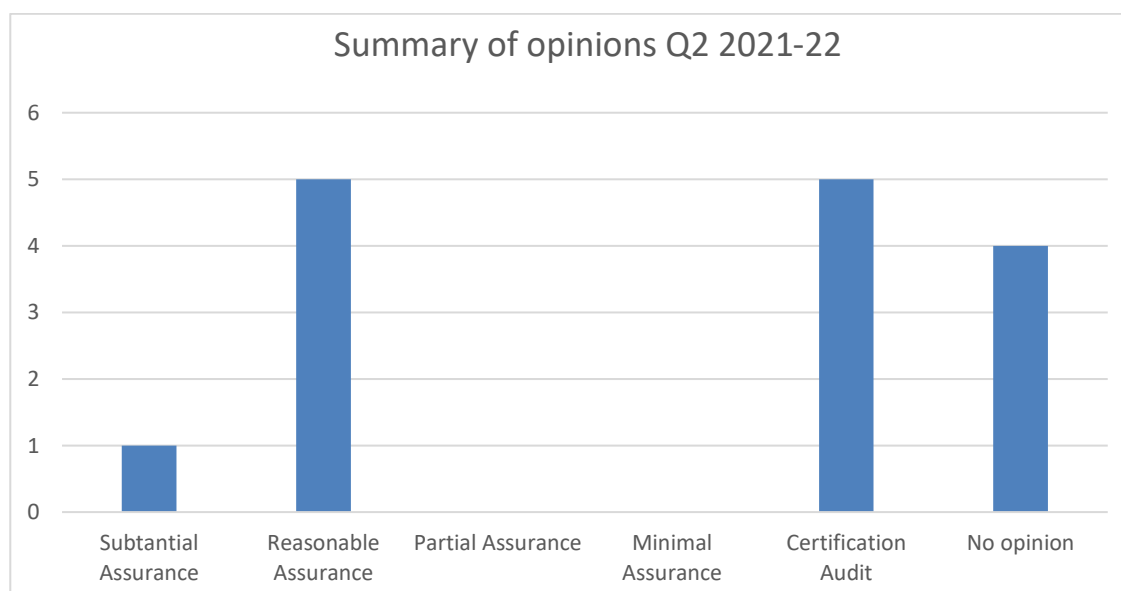
1. The purpose of this progress report is to inform members of the work completed by Internal Audit between 1 July 2021 and 30 September 2021.
2. The current annual plan for Internal Audit is contained within the Internal Audit Strategy and Annual Plan 2021-22, which was approved by Audit and Governance Committee on 23 March 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 2 are summarised in Appendix A.
5. Reviews completed in this quarter included a mixture of planned and unplanned audits, grant certification work, and irregularity work. Overall, of the 15 formal audits finalised during the quarter (excluding irregularity work), 1 received 'substantial assurance', 5 received 'reasonable assurance', 5 were grant certifications, and 4 were position statements which did not have an opinion given. Non opinion activities tend to relate to advisory type work where Internal Audit provides input and support to development initiatives or projects and programmes as they are progressing.



6. Formal follow up reviews continue to be carried out both for audits where 'minimal assurance' opinions have been given, and for higher risk areas receiving 'partial assurance'. One follow-up audit was completed in quarter two, in relation to application controls within the Adults Social Care LAS LiquidLogic system. We were able to raise the level of assurance from Partial to Substantial Assurance in light of actions taken by management to improve the control environment.
7. Members will recall that flexibility was built into the audit plan to allow resources to be directed to any new and emerging risks. We continue to liaise with departments to identify emerging risks as business-as-usual continues to be restored.
8. Appendix A to the report also provides details of counter fraud investigations completed, information on the tracking of high priority actions and progress against our performance targets.

#### **IMPLICATIONS:**

9. Financial;  
Equalities;  
Risk management; and  
Value for money
10. There are no direct implications (relating to finance, equalities, risk management or value for money) arising from this report.

#### **WHAT HAPPENS NEXT:**

11. See Recommendations above.

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**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 2021/22.