



Report of the Chief Auditor

Audit Committee – 8 December 2020

Internal Audit Progress Update Report

Purpose:	This report provides an update to the Audit Committee on the progress made by the Internal Audit Section to date.
Policy Framework:	None.
Consultation:	Legal, Finance, Access to Services.
Recommendation:	It is recommended that the Audit Committee Members note the information contained in this report.
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Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1. Introduction

- 1.1 The Internal Audit Annual Plan 2020/21 was approved by the Audit Committee on 1st June 2020. The Audit Committee continues to receive the standard quarterly monitoring reports. At the request of the Chair of the Audit Committee, this report provides a further update to the Committee on the work undertaken by the Audit Team in the year to date.
- 1.2 This report shows the audit work undertaken up to the 23rd November 2020.

- 1.3 Committee should be made aware that throughout this period the Internal Audit Function and the wider Authority have been adapting to unprecedented challenges as a result of the Covid-19 pandemic, which has impacted every aspect of Council business and operations.
- 1.4 As reported in the previous quarterly monitoring reports, due to the Covid-19 pandemic access to council sites continues to be restricted. This continues to have a significant impact on the Audit Team's ability to complete on-site testing. However, the Team have continued to complete as much testing as possible remotely. At the time of compiling the last quarterly monitoring report, due to the second wave of Covid-19 infections local lockdown restrictions had been reintroduced in Swansea. As a result, to date audit site visits have not been possible and they continue to be severely restricted.

2. Audits Finalised 1 April 2020 to 23 November 2020

- 2.1 A total of 44 audits have been finalised in the year to date. The audits finalised are listed in Appendix 1 which also shows the level of assurance given at the end of the audit and the number of recommendations made and agreed.
- 2.2 An analysis of the assurance levels of the audits finalised to date is shown in the following table.

Assurance Level	High	Substantial	Moderate	Limited
Number	28	15	1	0

- 2.3 A total of 235 audit recommendations have been made and management agreed to implement all of the recommendations, i.e. 100% of the recommendations made were accepted against a target of 95%.
- 2.4 The Internal Audit Section has also been assisting with the Council's Covid-19 related grant payment schemes by completing a number of pre-payment checks. The number of days spent on each type of grant to date can be seen below:

Grant	Days
Business Support Grants	39
Start-up Business Grants	3.5
Hospitality & Leisure Grants	1.0
Firebreak Grants (NDR)	2.0
Freelancer Grants	1.0
	46.5

- 2.5 Appendix 2 shows each audit included in the Plan approved by Committee on the 1st June 2020 and identifies the position of each audit as at 23rd November 2020.

- 2.6 As may be seen in Appendix 2, a number of audits are noted as being 'in progress' as the team has been encouraged to proactively complete as much of each review as possible remotely, minimising the impact on client departments over this difficult period whilst they are dealing with and adapting to Covid-19 related issues. As reported in the previous quarterly reports, it was hoped that as restrictions were slowly being lifted the team would be able to resume Covid-safe site visits to complete outstanding testing for ongoing reviews. Midway through quarter one the team proactively sought to book in site visits. However, at the end of quarter two due the increase in Covid-19 cases in Swansea, all booked site visits were put on hold in line with the re-imposed lockdown restrictions. Site visits remain restricted and the situation continues to be under review.
- 2.7 An analysis of the details in Appendix 2 shows that as at 23/11/20, 36 audits from the 2020/21 audit plan had been completed to at least draft report stage (23%), with an additional 37 audits in progress (23%). As a result approximately 46% of the Audit Plan was either completed or in progress. To allow greater flexibility for the audit team an additional 35 audits (22%) have been allocated to staff to try to progress. As explained above, a significant number of audits are noted as being 'in progress', as present restrictions are impeding our ability to complete some parts of the audit programmes.
- 2.8 Inevitably the Covid-19 pandemic is likely to have a detrimental impact on our ability to deliver the full audit plan for 2020/21. However, priority will be given to the completion of the fundamental audits to ensure key systems are reviewed to provide appropriate assurance to the Section 151 Officer and the Audit Committee in these areas. Historically, the majority of the fundamental audits have been completed in the third and fourth quarters and it is envisaged that this will also be the case this year. The team remain committed to completing as much of the plan as possible and once again I would like to thank the team for their endeavours and hard work over this very challenging and difficult period.
- 2.9 It should also be noted that whilst we will aim to complete the audits of key systems as a priority, we will also target resources to ensure the highest risk audits are completed wherever possible. However, the team may be required to assist with reactive work as directed by the Chief Executive or the Corporate Management Team due to the unpredictable and unprecedented environment the Authority is currently operating in.
- 2.10 As shown in Appendix 2, as at 23/11/20 three of the seven fundamental audit reviews had been completed and an additional two reviews were in progress. As a result, the team is currently on target to successfully complete all of the fundamental audit reviews due this year by the end of the financial year.

4 Equality and Engagement Implications

4.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

4.2 There are no equality and engagement implications associated with this report.

5. Financial Implications

5.1 There are no financial implications associated with this report.

6. Legal Implications

6.1 There are no legal implications associated with this report.

Background Papers: Internal Audit Plan 2020/21

Appendices: Appendix 1 Audits Finalised to 23/11/20

Appendix 2 Internal Audit Plan 2020/21 - Progress to 23/11/20