



## Report of the Chief Auditor

Governance & Audit Committee – 27 September 2022

### Internal Audit Monitoring Report Quarter 1 – 2022/23

<b>Purpose:</b>	This report shows the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 April 2022 to 30 June 2022.
<b>Policy Framework:</b>	None.
<b>Consultation:</b>	Legal, Finance, Access to Services.
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<b>For Information</b>	

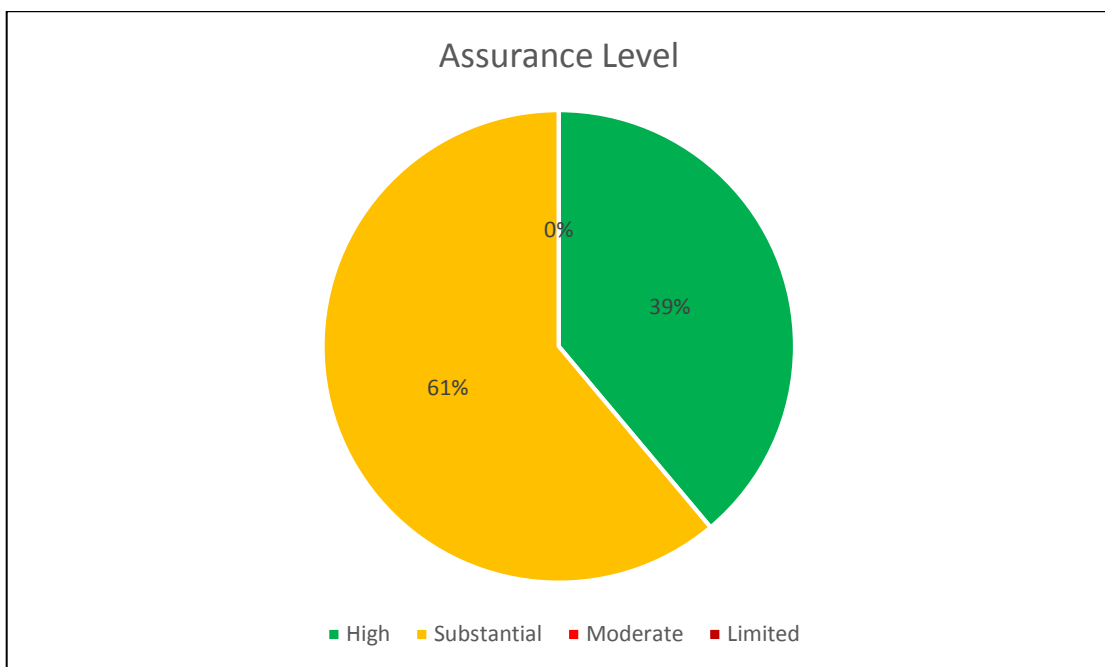
#### 1. Introduction

- 1.1 The Internal Audit Annual Plan 2022/23 was approved by the Governance & Audit Committee on 12 April 2022. This is the first quarterly monitoring report to be presented to allow the Committee to review and comment upon the progress of the Internal Audit Section in achieving the Annual Plan.
- 1.2 This report shows the audits finalised in the period 1 April 2022 to 30 June 2022.

## 2. Audits Finalised 1 April 2022 to 30 June 2022

- 2.1 A total of 18 audits were finalised during the quarter. 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. Appendix 2 provides a summary of the scope of the reviews finalised during the period.
- 2.2 An analysis of the assurance levels of the audits finalised is shown in the following table.

Assurance Level	High	Substantial	Moderate	Limited	Total
Number	7	11	0	0	18



- 2.3 A total of 84 audit recommendations were made and management agreed to implement 84 of the recommendations, i.e. 100% of the recommendations made were accepted against a target of 95%.
- 2.4 All recommendations made are classified as high risk, medium risk, low risk or good practice. An analysis of the recommendations agreed during the quarter is shown in the following table:

Risk Level	High Risk	Medium Risk	Low Risk	Good Practice	Total
Number	0	17	55	12	84



- 2.5 The implementation status for those audits that have been subject to a standard follow-up in the quarter is reported separately in the Recommendation Follow-up Report. This includes all follow-ups completed, except for the fundamental audits as the outcome of these follow-up reviews is reported to the Committee via the Fundamental Audit Recommendation Tracker Report.
- 2.6 The Audit Plan is a 'living' document which is likely to change during the course of the year due to e.g. emerging risks or new priorities. However it is important that the Committee can monitor progress against the plan approved at the start of the year. To achieve this, Appendix 3 shows each audit included in the Plan approved by Committee on the 12 April 2022 and identifies the position of each audit as at 30 June 2022.
- 2.7 As reported previously, due to the Covid-19 pandemic and as a result of the Council wide response to the advice issued by Central and Welsh Government, all Internal Audit staff have been working remotely from home since the end of March 2020. This continued to be the case throughout the quarter.
- 2.8 Some of the team's time has been taken up in the quarter assisting with the office move within the Guildhall. The team now has access to a shared agile working area within the Guildhall which may be used for up to three days a week.
- 2.9 As a result of further easing of covid-19 restrictions, the audit team are also now able to resume site visits to complete on site testing where necessary.
- 2.10 An analysis of the details in Appendix 3 shows that as at 30/06/22, 9 audit activities from the 2022/23 audit plan had been completed to at least draft

report stage (7%), with an additional 21 audits noted as being in progress (16%). As a result approximately 23% of the audit activities included in the 2022/23 Audit Plan had either completed or were in progress. In addition, 9 audits from the 2021/22 audit plan were finalised in the quarter (marked with \* in Appendix 1) and the audit of Discretionary Payments from the 2021/22 audit plan was issued as draft in the quarter which has since been finalised in quarter 2.

- 2.11 Staff sickness within the Internal Audit Team has been significant during the quarter, with a total of 32 days absence recorded. At the time of compiling this report, two members of staff continue to be absent due to long-term sickness.
- 2.12 In addition to the sickness absence noted above, two auditors left the team during the quarter. One has retired and the other has moved to a different position within the Council. As a result, we currently have two vacancies within the team. The posts are currently being advertised and we hope to be able to fill the positions as soon as possible.
- 2.13 There were no audit reports with a “Moderate” assurance level issued in the quarter.

### **3. Follow Up’s completed 1 April 2022 to 30 June 2022**

- 3.1 The follow up procedures operated by the Internal Audit Section include visits to any non-fundamental audits which received a moderate or limited level of assurance to confirm and test that action has been taken by management to address the concerns raised during the original audit.
- 3.2 The follow up visit is usually within 6 months of the final report being issued and includes testing to ensure that any high or medium risk recommendations have been implemented. Where agreed recommendations have not been implemented, this will be reported to the appropriate Head of Service (or Chair of the Governing Body in the case of schools) and the Director of Finance & Section 151 Officer.
- 3.3 There were no audit reports with a “Moderate” assurance level followed up in the quarter.

### **4 Integrated Assessment Implications**

- 4.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, 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 Acts.
  - 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.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

4.2 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

4.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

4.4 The completion of the Integrated Impact Assessment Screening revealed that:

- The Quarterly Internal Audit Monitoring Report has a low positive impact across all groups.
- It has been subject to consultation with the Chief Finance & S151 Officer, Legal and Access to Services.
- All Well-being of Future Generations Act considerations are positive and any risks identified are low.
- The overall impact of the Quarterly Internal Audit Report is positive as it will support the Authority in its requirement to protect public funds.

## 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 2022/23

**Appendices:** Appendix 1 - Audits Finalised Q1 2022/23

Appendix 2 - Summary of Scope of Audits Finalised Q1 2022/23

Appendix 3 - Internal Audit Plan 2022/23 - Progress to 30/06/22

Appendix 4 – Integrated Impact Assessment