

## AUDIT AND RISK COMMITTEE

6 December 2022

### INTERNAL AUDIT UPDATE

Report of the Chief Internal Auditor

|                                |   |   |
|--------------------------------|---|---|
| Strategic Aim:                 | All   |   |
| Exempt Information             | No  |   |
| Cabinet Member(s) Responsible: | Cllr K Payne, Portfolio Holder for Finance, Governance and Performance, Change and Transformation |   |
| Contact Officer(s):            | Rachel Ashley-Caunt, Chief Internal Auditor   | Tel: 07799 217378<br><a href="mailto:rashley-caunt@rutland.gov.uk">rashley-caunt@rutland.gov.uk</a> |
| Ward Councillors               | N/A   |   |

#### DECISION RECOMMENDATIONS

That the Committee:

1. Notes the Internal Audit update report (Appendix A).
2. Approves the amendment to the Internal Audit Plan 2022/23 to postpone the audit of the waste contract procurement and to allocate the remaining audit days to an audit of Business Continuity Management.

## 1 PURPOSE OF THE REPORT

- 1.1 To update the Committee on the progress made in delivering the 2022/23 Annual Audit Plan and outcomes from audit assignments completed since the last Committee meeting.

## 2 BACKGROUND AND MAIN CONSIDERATIONS

### 2.1 Update on Delivery of Internal Audit Plan

- 2.1.1 The progress made to date in delivering the 2022/23 audit plan is set out in Appendix A. At the time of reporting, 50% of the audit plan either complete or in progress. The outcomes of completed audits are summarised in the report at Appendix A.

Also included is the outcome of the first of the rolling reviews of entries on the Strategic Risk Register, which seek to provide assurance over the existence and operation of the controls lists on the risk entries.

- 2.1.2 There is one amendment to the Audit Plan proposed. Following the decision in October 2022 to defer the re-procurement of the waste contracts to enable consideration of waste infra-structure requirements, this audit work is no longer relevant at this time. As such, it is proposed that the remaining audit days be applied to an audit of Business Continuity Management, given this features as an amber residual risk on the Council's Strategic Risk Register.

## **2.2 Implementation of Recommendations**

- 2.2.1 Internal Audit request that officers provide monthly updates on all open audit actions.
- 2.2.2 There are currently no actions rated as 'High' priority which have been overdue for implementation by more than three months. There are 13 actions which are overdue for completion.
- 2.2.3 It is standard practice for any audit reports receiving lower than Satisfactory Assurance opinions to be presented to the Audit and Risk Committee in full. To date, no such reports have been finalised from the 2022/23 Audit Plan.

## **3 CONSULTATION**

- 3.1 No formal consultation required.

## **4 ALTERNATIVE OPTIONS**

- 4.1 The Committee is asked to note the report. No alternative options are proposed.

## **5 FINANCIAL IMPLICATIONS**

- 5.1 There are no financial implications directly arising from this report.

## **6 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 6.1 The Audit and Risk Committee is responsible for oversight of the work of Internal Audit including approving the annual Audit Plan and satisfying itself that the plan provides assurance over the Council's control framework and key risks. It is also responsible for gaining assurance that internal audit is complying with internal audit standards.
- 6.2 There are no legal implications arising from this report.

## **7 DATA PROTECTION**

- 7.1 A Data Protection Impact Assessment (DPIA) has not been completed because there are no risks/issues to the rights and freedoms of natural persons.

## **8 EQUALITY IMPACT ASSESSMENT**

- 8.1 There are no equality implications

## **9 COMMUNITY SAFETY IMPLICATIONS**

9.1 There are no community safety implications

## **10 HEALTH AND WELLBEING IMPLICATIONS**

10.1 There are no health and wellbeing implications.

## **11 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

11.1 The latest update report, provided in Appendix A, details the findings of recent Internal Audit work and any weaknesses in the control environment highlighted by these reviews, and provides an overview of the performance of the Internal Audit team and the implementation of actions by management. The Committee plays an important role in the oversight of Internal Audit work.

## **12 BACKGROUND PAPERS**

12.1 There are no additional background papers to the report

## **13 APPENDICES**

13.1 Appendix A: Internal Audit Update Report

13.2 Appendix B: Rolling risk review findings

13.3 Appendix C: Implementation of Audit Recommendations

13.4 Appendix D: Customer satisfaction statistics

13.5 Appendix E: Limitations and responsibilities

**Large Print or Braille Version of this Report is available upon request – Contact 01572 72257**