

Report sponsor: Strategic Director – Corporate Resources
Report author: Head of Internal Audit

Internal Audit Progress Report

Purpose

- 1.1 The progress report attached at Appendix 1 provides the Committee with an overview of the output from Internal Audit assurance work for the period from 11th November 2022 to 11th January 2023.

Recommendations

- 2.1 To note the progress being made by Internal Audit on its work in 2022/23 in the report at Appendix 1.
- 2.2 To review the control issues being raised by Internal Audit and management's response to the risks.
- 2.3 To review the “risk accepted” response to a recommendation in the Declaration of Interests audit review and decide whether as a committee it is comfortable with the decision taken by management.
- 2.4 To review the progress being made by management in respect of the implementation of internal audit recommendations.

Reasons

- 3.1 The Audit and Governance Committee is responsible for providing assurance to the Council on the effectiveness of its governance arrangements, its risk management framework and the internal control environment. The work of Internal Audit supports the Committee in providing this assurance.

Supporting information

- 4.1 An internal audit plan needs to take account of changes in the Council's risks. The move to a rolling quarterly based internal audit plan has helped to achieve a more responsive approach to changes in risk.
- 4.2 A report on the progress against the 2022/23 internal audit plan is attached at Appendix 1.

- 4.3 The progress report (pages 9 and 10) contains details of the recently completed audit review of the Council's system of declaration of interests. Members will note that management has opted to "risk accept" a recommendation on colleagues reporting potential conflicts of interest. Management believe that the Council's Whistleblowing process provides a suitable mechanism for such actions. The Head of Internal Audit has no issues with this. The Committee is asked to consider the response from management (see Recommendation 2.3 of this report) and decide whether it is comfortable with the decision taken. The recommendation from the internal audit report is reproduced below.

Recommendation 7	Summary Response
<p>Risk Rating: Low Risk</p> <p>Summary of Weakness: There was no guidance and declaration forms for employees that know of a colleague who was working for another company or had a business interest that could cause a potential conflict of interest.</p> <p>Suggested Actions: We recommend that guidance and a declaration form for employees who know of a colleague who was working for another company or had a business interest that could cause a potential conflict of interest, is produced, and that this should form part of the Employee Code of Conduct.</p>	<p>Responsible Officer: Adele Ashmore</p> <p>Issue Accepted</p> <p>Agreed Actions:</p> <p>The Council currently has a whistleblowing process, we do not support a reporting of concern form for colleagues. This is a risk that we will accept.</p> <p>Implementation Date:</p> <p>Risk Accepted</p>

- 4.4 At its meeting on 5th October 2022, the Committee made the decision to call in officers in respect of three audit areas to the meeting on 30th November to seek assurance on the progress with the implementation of recommendations. Unfortunately, no officer was able to attend to provide responses to the issues that the Committee wanted to raise around the Neighbourhood Boards audit. It was agreed at the November meeting that the relevant officers would be invited to the January 2023 meeting.
- 4.5 The progress report also contains an update for Committee on CMAP's progress with the actions identified in its Quality Assurance and Improvement Plan (QAIP). This can be found on pages 20 to 23 of Appendix 1.

Public/stakeholder engagement

- 5.1 None

Other options

- 6.1 None

Financial and value for money issues

- 7.1 None arising directly from this report.

Legal implications

8.1 None arising directly from this report.

Climate implications

9.1 None arising directly from this report.

Socio-Economic implications

10.1 None arising directly from this report.

Other significant implications

11.1 None

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal		
Finance		
Service Director(s)		
Report sponsor	Simon Riley, Strategic Director – Corporate Resources	
Other(s)		

Background papers:	None
List of appendices:	Appendix 1 – Internal Audit Progress Report