

Joint Audit and Governance Committee



Report of Internal Audit Manager

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To: Joint Audit and Governance Committee

DATE: 22 September 2020

Internal audit management report quarters one and two 2020/21

Recommendation(s)

(a) That members note the content of the report.

Purpose of report

1. The purpose of this report is:
 - to report on management issues within internal audit;
 - to summarise the progress against the 2020/21 audit plan up to 11 September 2020; and
 - to summarise the priorities for quarter three 2020/21.

2. The contact officer for this report is Victoria Dorman-Smith, Internal Audit Manager for South Oxfordshire District Council (SODC) and Vale of White Horse District Council (VWHDC), telephone 01235 422430.

Strategic objectives

3. Delivery of an effective internal audit function will support the councils in meeting their strategic objectives.

Background

4. The Public Sector Internal Audit Standards (PSIAS), effective from 1 April 2017, state that the head of internal audit should prepare a risk-based audit plan, which should outline the assignments to be carried out and the resource requirements to deliver the plan, for audit committee approval. The Joint Audit and Governance Committee approved the 2019/20 annual internal audit plan on 25 March 2019.
5. The PSIAS also states that the head of internal audit must periodically report on performance relative to the plan.

Management issues

6. During quarters one and two, the internal audit team undertook the following work, in support of the councils' response to Covid-19:
 - **Business Grants:** the three internal auditors assisted the business rates team in the processing of the government Covid-19 business grants, during the months of April and May 2020.
 - **Discretionary Grant Fund:** in June and July 2020, the internal auditors assisted the economic development team in carrying out validation checks on evidence supporting the discretionary grant applications.

Progress against the 2020/21 audit plan

7. Progress against the approved audit plan for 2020/21 has been calculated for the quarter and year to date and is summarised in **appendix 1** attached. A summary of the progress against the 2019/20 audit plan is summarised in **appendix 2**.
8. Performance figures to date are as follows:

	Target	YTD	Actuals by Quarter			
			Q1 20/21	Q2 20/21	Q3 20/21	Q4 20/21
Chargeable (identifiable client and/or specific IA deliverable)	76%	40%	0%	31%	-	-
Non-Chargeable (corporate, not IA deliverable)	7%	46%	83%	42%	-	-
Planned Lost (i.e. leave)	14.5%	11%	12%	23%	-	-
Unplanned Lost (i.e. study, sickness)	2.5%	3%	5%	4%	-	-

9. As at 11 September 2020 the status of audit work against the 2020/21 audit plan is as follows:

Planned

Strategic, operational and financial assurance work known and approved by the joint audit and governance committee.

2020/21	Planned	Completed	Draft Out	In progress	To commence
Total	14	0	0	4	10
Joint	14	0	0	4	10
SODC	0	0	0	0	0
VWHDC	0	0	0	0	0

Ad-hoc

Unplanned project work based on agreed terms of reference with the audit manager (i.e. implementation of new systems) and responsive work issued and agreed by the section 151 officer, members or senior management team (i.e. investigations).

2020/21	Requested	Complete	Draft	In progress	To commence
Ad-hoc	0	0	0	0	0
Joint	0	0	0	0	0
SODC	0	0	0	0	0
VWHDC	0	0	0	0	0

Follow up

Work undertaken to ensure that agreed recommendations have been implemented. The number of follow-up audits is a rolling number, all internal audit reports are followed up after six months unless the area is subject to an annual review.

2020/21	Requested	Complete	Draft	In progress	To commence
Follow up	0	0	0	3	0
Joint	0	0	0	2	0
SODC	0	0	0	1	0
VWHDC	0	0	0	0	0

Priorities for 2020/21 quarter three (October 2020 - December 2020)

10. The priorities for quarter one are to:
- Finalise the remaining six 2019/20 planned audits;
 - Continue the planned audit work for 2020/21, in line with the audit plan;
 - Review and update internal audit methodology (e.g. procedures and templates for internal use).
11. Remaining 2020/21 planned audit work can be reviewed in **appendix 3**.

Financial implications

12. There are no financial implications attached to this report.

Legal implications

13. None.

Risk implications

14. Identification of risk is an integral part of all audits.

VICTORIA DORMAN-SMITH
INTERNAL AUDIT MANAGER