

Report to: **Audit Committee**  
Date: **18 September 2020**  
By: **Orbis Chief Internal Auditor, Business Services Department**

Title of report: **Internal Audit Progress Report – Quarter 1 (01/04/20 – 30/06/20)**

Purpose of report: **To provide Members with an update on all internal audit and counter fraud activity completed during the quarter, including a summary of all key findings. To also provide an update on the performance of the internal audit service during the period.**

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## **RECOMMENDATIONS**

**Members are asked to:**

- 1. Note the report and consider any further action required in response to the issues raised;**
  - 2. Identify any new or emerging risks for consideration for inclusion in the internal audit plan.**
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### **1. Background**

1.1 This progress report covers work completed between 1 April 2020 and 30 June 2020.

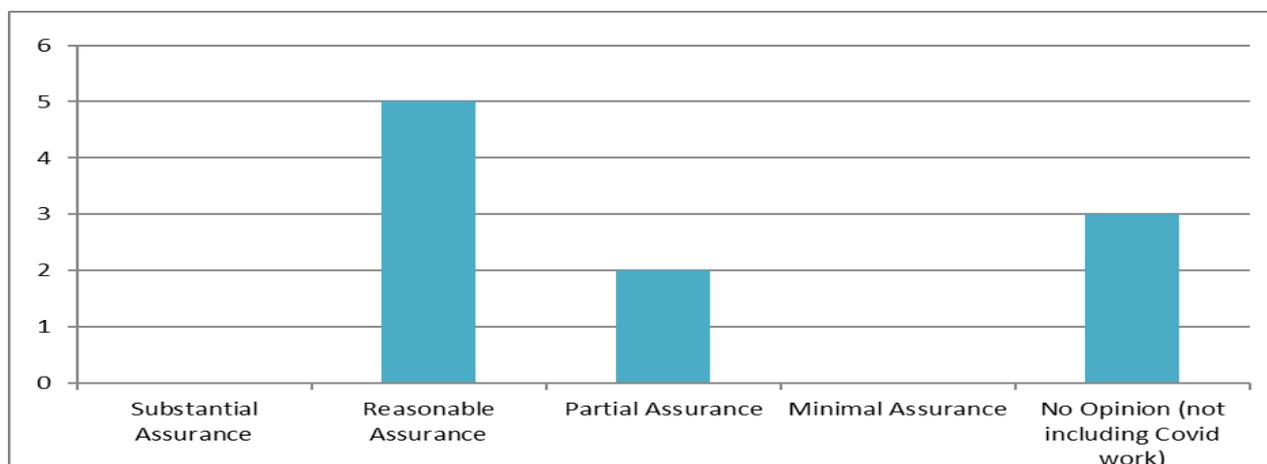
### **2. Supporting Information**

2.1 The current annual plan for internal audit is contained within the Internal Audit Strategy and Annual Plan 2020-21 which was approved by Audit Committee on 13 May 2020.

### **3. Conclusion and Reasons for Recommendation**

3.1 Key audit findings from final reports issued during Quarter 1 are summarised in Appendix A.

3.2 Overall, of the seven formal audits finalised during the quarter in which an opinion was given, five received 'reasonable assurance' audit opinions and two received opinions of 'partial assurance'.



3.3 Although the same range of internal audit opinions are issued for all audit assignments (where an opinion is relevant), it is necessary to also consider the level of risk associated with each area under review when drawing an opinion on the Council's overall control environment. **Taking into account these considerations, the Chief Internal Auditor continues to be able to provide assurance that the Council has in place an effective framework of governance, risk management and internal control.**

3.4 During the quarter, and as a result of the Covid-19 pandemic, a significant proportion of our planned work was paused so that we would not impede service response to the emergency and, wherever possible, enable us to provide specific support to this response. In addition, some of our team were redeployed to support other services across the Council, most of which related to the sourcing and distribution of personal protective equipment (PPE). For those staff remaining, in addition to continuing with and completing ongoing audits where this was possible, we refocussed our work on providing advice and support across the Council on risk and control issues, especially where services looked to modify their ways of working as a result of the pandemic.

3.5 The overall conclusion above has, therefore, been drawn based on all audit work completed in the year to date and considers the management response to audit findings and the level of progress in subsequent implementation. This is something which will continue to be monitored and reported on throughout the year.

3.6 Formal follow up reviews continue to be carried out for all audits where 'minimal assurance' opinions have been given and for higher risk areas receiving 'partial assurance'.

3.7 Members will recall that flexibility was built into the audit plan to allow resources to be directed to any new and emerging risks. We continue to liaise with departments to identify these and would also welcome input from this Committee.

3.8 Progress against our performance targets (focussing on a range of areas relating to our service) can be found in Appendix A. All targets have been assessed as on target (green).

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BACKGROUND DOCUMENTS: Internal Audit Strategy and Annual Plan 2020-21