



**Audit and Standards Advisory  
Committee**  
26 May 2020

**Report from the Director of Legal  
HR Audit and Investigations**

**Internal Audit Progress Report for the period January - April  
2020**

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Non-Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>No. of Appendices:</b>	Three Appendix A Completed Audits for the period January to April 2020 Appendix B: Current Programme of Audits Appendix C Follow Up Reviews
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Michael Bradley, Head of Audit and Investigations, Email: <a href="mailto:Michael.bradley@brent.gov.uk">Michael.bradley@brent.gov.uk</a> Tel: 07920 581620

**1. Purpose of Report**

- 1.1. This report provides an update on progress against the Internal Audit Plan for the period 1 January 2020 to 30 April 2020.

**2. Recommendations**

- 2.1. The Audit & Standards Advisory Committee note the content of the report.

**3. Internal Audit Performance**

- 3.1 During this period, Internal Audit have:
- Completed 10 audit reviews and advisory pieces of work;
  - Issued a further seven draft reports awaiting management responses;
  - Completed 14 follow up reviews;
  - Completed two school audits and
  - Completed grant claim certifications for the Troubled Families Programme.

The team has also been able to react to urgent management requests when required. Further details are set out below.

- 3.2 The team remained under resourced during this period with a vacancy for a Principal Auditor. A successful recruitment campaign was completed in March although the new recruit will not be starting until July. Once in place this should bring increased stability and performance. The team continues to be supplemented by a contracted resource from PWC.

### **Audit Work Undertaken**

- 3.3. The Internal Audit Plan for 2019/20 initially comprised 55 audits excluding school reviews, follow-ups and advisory work.
- 3.4 10 audits have been completed during this period (adding to the 20 audits completed previously). A further seven draft reports have been issued awaiting a response from management. A further seven audits are nearing completion or are in progress. Due to the ongoing Coronavirus situation a number of this year's audits have had to be postponed and will be rescheduled in 2020/21. Planning work has also now commenced on a number of audits from the 2020/21 Audit Plan.
- 3.5 For each audit where controls have been analysed and a report agreed with management, an assurance opinion was given previously. This grading mechanism provided an indication of the level of confidence in the controls in operation and the extent to which they are being applied. For 2019/20 this grading system is no longer being used and an indication of the level of confidence is now gained by examining the number of issues raised and their associated risk level.
- 3.6 Details of the audits and the key findings are set out in Appendix A. Details of the audits currently in progress are set out in Appendix B.

### **Follow up Reviews**

- 3.7 As part of the audit process, follow-up reviews are carried out to ensure that agreed management actions in respect of significant risks have been implemented.
- 3.8 During the period, 14 follow up reviews have been completed. A further 11 are currently in progress. Details of the completed follow up reviews are set out in Appendix C.
- 3.9 Of the 14 completed, four had high-risk actions that had not been implemented or only partially implemented. These will be further followed up to ensure they have been satisfactorily implemented and details are included in Appendix C.

119 management actions have been reviewed:

Implemented	Partially Implemented	Not Implemented	No Longer Relevant
73	28	17	1

- 3.10 Revised completion dates have been agreed with management where actions remain partially or not implemented. Audit will revisit to confirm implementation where appropriate.

### **Schools**

- 3.11 The program of school audits focuses on governance, financial processes and accompanying back office resources.
- 3.12 Following the first seven reviews in quarters one and two, a further two have been completed. One was a new review and the other was a follow up review at Leopold Primary School, following a 'No Assurance' rating given last year. The follow up found that there had been significant improvements in the overall risk management, governance and internal control processes of the School.
- 3.13 The remaining two school reviews were scheduled to take place during quarter four but have now been postponed until the next financial year due to the ongoing Coronavirus situation. Internal Audit continue to attend the Teachers' Panel and School Information Exchange meetings to discuss the audit process, key risk areas and any other concerns raised by schools.

### **Customer Satisfaction**

- 3.14 Management are asked to provide feedback on individual audits completed and the feedback is incorporated into the continuous improvement of the service. Questionnaires issued at the end of each audit ask the auditees to provide feedback on areas including usefulness of the audit, quality of the report and usefulness of any recommendations made.
- 3.15 Five questionnaires have been returned during this period. All responses were very positive with 97.5% of scores either very satisfied or satisfied.

## **4. Financial Implications**

- 4.1 The report is for noting and so there are no direct financial implications

## **5. Legal Implications**

- 5.1 The report is for noting and so there are no direct legal implications

## **6. Equality Implications**

- 6.1 None

## **7. Consultation with Ward Members and Stakeholders**

- 7.1 None

**Report sign off:**

**Debra Norman**  
**Director of Legal HR Audit and Investigations**

