



**Audit and Standards Advisory
Committee
8 December 2020**

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

**Internal Audit Progress Report for the period May - October
2020**

Wards Affected:	All
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	Appendix A: Completed Audits for the period May to November 2020 Appendix B: Current Audit Statuses Appendix C: Follow Up Reviews
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Michael Bradley, Head of Audit and Investigations, Michael.bradley@brent.gov.uk 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 May 2020 to 31 October 2020.

2. Recommendations

- 2.1. The Committee note the content of the report.

3. Internal Audit Performance

- 3.1 During this period, Internal Audit have:
- Completed 17 audit reviews;
 - Conducted advisory work on the Oracle Cloud Project;

- Issued a further two draft reports which are awaiting management responses;
- Completed 10 follow up reviews;
- 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 appointed a new Principal Auditor who joined in July 2020. In September, the Auditor Apprentice was promoted to Internal Auditor. The team continues to be supplemented by a (reduced) contracted resource from PWC.

Audit Work Undertaken

- 3.3 The Internal Audit Plan for 2020/21 initially comprised 55 audits excluding school reviews, follow-ups and advisory work. During the period, following consultation with management:

- Seven new audits have been added to the plan;
- Nine audits have been cancelled or deferred to 2021/22.

- 3.4 17 audits have been completed during this period (this included nine audits that had been carried over from 2019/20). A further two draft reports have been issued awaiting a response from management. At the time of writing, a further 11 audits are nearing completion or are in progress and a further three have had terms of reference agreed prior to beginning fieldwork.

- 3.5 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.

- 3.6 The Council has a programme to migrate from the existing finance, procurement and HR/Payroll system to a single Oracle Cloud solution. Audit are carrying out a real time review to provide assurance on the controls and governance of the programme. In a separate audit work stream auditors provided ongoing advice and guidance in respect of risk and controls to each of the HR, Procurement and Finance work streams.

Coronavirus Response

- 3.7 Internal Audit were requested to carry out a number of additional pieces of audit work to support staff dealing with grant payments in relation to the Coronavirus pandemic. This work focused on ensuring that new processes for payments were properly risk assessed and controlled in order to protect public funds and to minimise the occurrence of fraud. Currently five different payment areas have been or are in the process of being reviewed.

- 3.8 In addition to specific recommendations, a list of key controls and processes were identified and reported for any future grants.

- 3.9 For part of April and May two members of the Audit team volunteered (with other Council staff) to contact Brent Residents who were shielding, offering

advice and guidance from the NHS, making referrals where necessary for specific assistance to be provided.

Follow up Reviews

- 3.10 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.
- 3.11 During the period, 10 follow up reviews have been completed. A further eight are currently in progress. Details of the completed follow up reviews are set out in Appendix C.
- 3.12 Of the 10 completed, two had high-risk actions that had been only partially implemented. These will be further followed up to ensure they have been satisfactorily implemented and details are included in Appendix C.

86 management actions have been reviewed:

Implemented	Partially Implemented	Not Implemented	No Longer Relevant
62	20	1	3

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

Schools

- 3.14 The program of school audits focuses on governance, financial processes and accompanying back office resources. 11 school audits were originally scheduled to be carried out. This included one carried over from 2019/20.
- 3.15 Due to the ongoing Coronavirus situation, no school audits were possible during the Summer term or during the first half of the Autumn term. During the second half of the Autumn term, we plan to carry out a revised approach; reviewing documentation remotely and carrying out virtual meetings with the school to discuss any issues arising. Four school audits are planned for this period.
- 3.16 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

- 3.17 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.

3.18 Four questionnaires have been returned during this period. All responses were very positive with 100% of scores either very satisfied or satisfied.

4. Financial Implications

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

5. Legal Implications

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

6. Equality Implications

None

7. Consultation with Ward Members and Stakeholders

None

Report sign off:

Debra Norman, Director of Legal HR Audit and Investigations