



**Audit and Standards Advisory
Committee
31 January 2022**

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

**Internal Audit Progress Report for the period October to
December 2021**

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:	Four Appendix A: Completed Audits for the period October to December 2021 Appendix B: Audits Planned and in Progress Appendix C: Audits Deferred to 2022/23 Appendix D: Follow Up Reviewa
Background Papers:	None
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1. Purpose of Report

- 1.1. This report provides an update on progress against the Internal Audit Plan for the period October to December 2021.

2. Recommendation

- 2.1. The Committee is asked to note the contents of the report.

3. Internal Audit Performance

- 3.1 During this period, Internal Audit have:

- Completed three audit reviews;
- Completed four follow-up reviews;
- Carried-out five school audit reviews;

- Completed a grant certification for the Supporting Families Programme;
- Issued draft reports for a further two audits, both of which are awaiting management responses; and
- Continued to undertake additional pieces of work at management's request and where required.

3.2 The 2021-22 Internal Audit Plan has also been reviewed and re-prioritised, in consultation with senior management, to ensure that all key and priority audits are completed. This has resulted in a number of non-priority audits, originally planned to be undertaken in 2021-22, being deferred to 2022-23. Further details are provided below.

Audit Work Undertaken

3.3 The 2021-22 Internal Audit Plan initially comprised of 37 audits, excluding school reviews, follow-ups and advisory work.

3.4 Three audit reviews have been completed during this period and details of key findings are set out in **Appendix A**. It should be noted that for all three reviews, positive management responses have been received. A further two reviews have also been completed and are at draft report stage, and management responses are currently being agreed.

3.5 10 audits are currently in progress and these are on track to be completed within early Q4. A further three audits have been scoped and terms of references have been agreed with auditees, with fieldwork due to commence in Q4. Details of the audits currently in progress and due to be completed in 2021-22 are set out in **Appendix B**.

3.6 The 2021-22 Internal Audit Plan has recently been reviewed and re-prioritised to ensure that all key and priority audits are completed in-year. Following consultation with Departmental Management Teams, we have deferred 10 non-priority audits as detailed in **Appendix C**. These audits will be considered as part of the 2022-23 planning process.

3.7 Internal Audit has also continued to carry out advisory work, where required and/or requested. During the period, advisory work has been undertaken in the following areas:

- Commercial supplier registration;
- Water bill liability refunds;
- Duplicate payments; and
- Housing incentives.

Follow-up Reviews

3.8 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.

3.9 During the period, four follow up reviews have been completed, and a further nine follow-up reviews are in progress. Details of the completed follow up reviews are set out in **Appendix D**.

3.10 In total 25 management actions have been followed-up, with outcomes shown in the table below:

Implemented	Partially Implemented	Not Implemented	No Longer Applicable
13	12	0	0

- 3.11 Revised completion dates have been agreed with management where actions remain partially implemented. Where appropriate, Internal Audit will revisit these areas to confirm implementation in Q4.

Schools

- 3.12 The programme of school audits seeks to provide assurance over the key governance and financial management controls in place within individual schools. 10 school audit reviews are scheduled to be carried-out as part of the 2021-22 plan, in addition to a follow-up review of one audit completed in 2020-21.
- 3.13 Due to the impacts of the pandemic we had previously been operating a revised approach to school audits, including reviewing documentation remotely and carrying out virtual meetings with the schools to discuss any issues arising. During the period covered within this report, we have been able to resume visiting schools to undertake their audit, which has led to a more efficient and productive audit process.
- 3.14 Five school audits have been undertaken during this period, and three final reports (fieldwork carried out in Q2) and five draft reports have been issued. Whilst issues have been raised and reported across all of these reviews, only one review revealed a number of high risk findings. Positive responses have been received and an action plan has been agreed with the school to address the findings. A follow-up review will also be scheduled for 2022-3 to review and measure progress towards the implementation of recommendations.
- 3.15 The final two school audits and the follow up review are scheduled for Q4. Internal Audit also continues to attend the School Information Exchange meetings to discuss the audit process, key risk areas and any other concerns raised by schools.

Customer Satisfaction

- 3.16 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.
- 3.17 One questionnaire has been returned during this period. All responses were very positive with 100% of scores recorded as 'very 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