



Audit & Anti-Fraud Division

Internal Audit Annual Report 2020/21

June 2021

**Finance & Corporate Resources Directorate
Audit & Anti-Fraud Division**

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Introduction

Purpose of this report

This report summarises the results of the work performed by Internal Audit during the financial year 2020/21, including the key themes that can be identified across the Council. It also highlights progress made by management in implementing internal audit recommendations.

Based upon the results of this programme of work, an Audit opinion is provided on the Council's systems of risk, governance and internal control. This Audit opinion is a key source of assurance in the preparation of the Council's Annual Governance Statement.

The work of Internal Audit also helps to inform the production of the Annual Governance Statement which sets out the Council's corporate governance arrangements, attached at the end of this document as Appendix 8.

Overview of work done

The original plan for 2020/21 included a total of 53 audits. There has been close communication with senior management throughout the year to ensure that the audits actually undertaken continued to focus on high risk areas in the light of new and ongoing developments in the Council, and best use of our resources.

As a result of this liaison, some changes were agreed to the plan during the year as follows: -

Total number of projects per original plan	53
Audits & advisory work added to the plan	9
Cancelled audits as no longer relevant	11
Deferred to 2021/22 or later	21
Total number of projects per revised plan	30
Projects completed from 2020/21 plan	15
Projects carried forward from 2019/20 plan completed	16

The majority of audits were scoped to provide assurance to management on the adequacy and effectiveness of the Council's internal control environment. Others were geared more towards the provision of specific advice and support to management to enhance the efficiency, effectiveness and economy of the services and functions for which they are responsible. Where Internal Audit identified areas for improvement, recommendations were made to further minimise the level of risk, all of which were agreed by management. If implemented, the actions will further enhance the control environment and the operation of the controls in practice.

Structure of Report

This report sets out the results of the work performed as follows: -

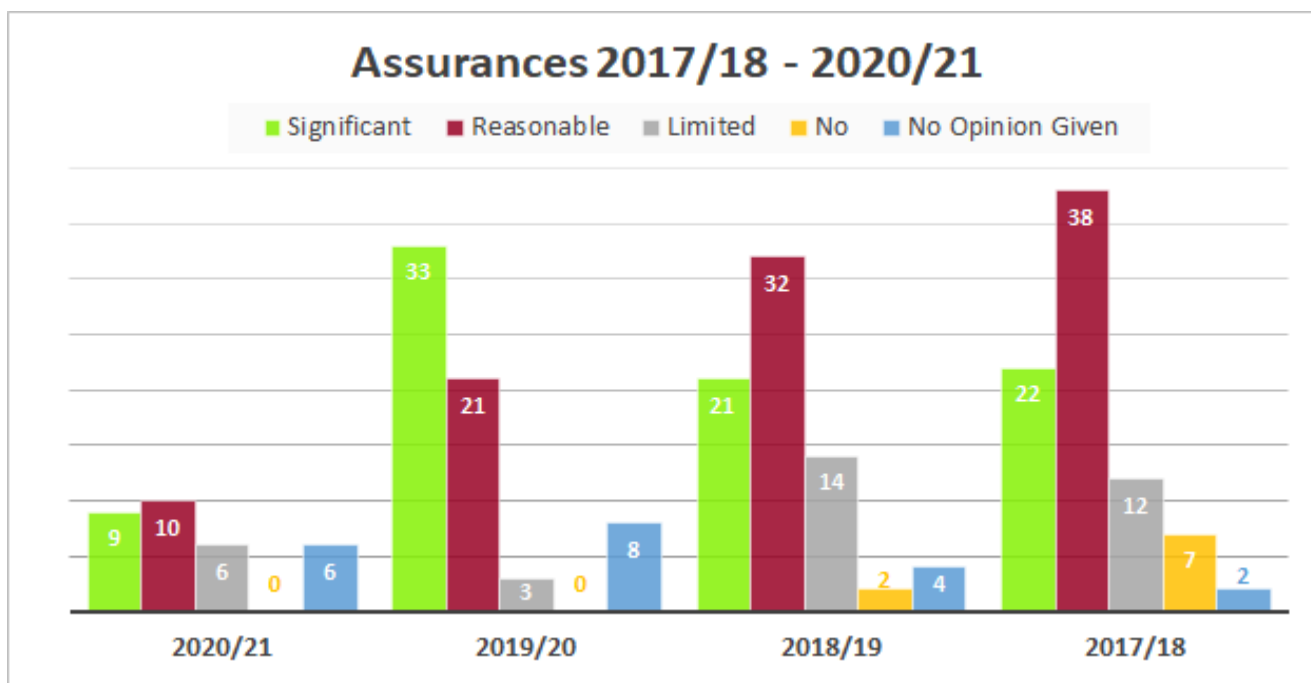
- **Overall summary** – work done by Internal Audit including an analysis of report ratings, priority of recommendations and performance of the service.
- **Key themes identified** during internal audit work in 2020/21.
- **Managers' response to internal audit recommendations** – providing a summary of progress with the implementation of recommendations.
- **Directorate analysis** – providing details of assurances for each directorate.

Overall Summary

Assurance Levels

This report has drawn on the findings and assessments included in all of the reports issued during the period. A summary of the assurances provided for audits completed during 2020/21 is provided in the table below, compared with assurances for audits completed since 2016/17. The 2020/21 data includes 15 of 2019/20 audits which were completed during the year and not previously reported in the 2019/20 statistics.

Assurance	2020/21		2019/20		2018/19		2017/18		2016/17	
	No of Audits	%	No of Audits	%	No of Audits	%	No of Audits	%	No of audits	%
Significant	9	36	33	58	21	33	22	27	18	37
Reasonable	10	40	21	37	32	48	38	47	24	49
Limited	6	24	3	5	14	18	12	15	7	14
No	0	0	0	0	2	1	7	11	0	0
Subtotal	25		57		69		79		49	
No Opinion Given	6		8		4		2		4	
Total	31		65		73		81		53	



The percentage of 'Significant' and 'Reasonable' assurance rated audits has decreased since last year (61% compared to 95%), although it needs to be recognised that due to the exceptional circumstances experienced throughout the year (managing the pandemic and cyber attack) the number of reviews completed was less than half of those undertaken in 2019/20.

Comparisons should be treated with some caution as the differing nature of the risks and associated reviews covered by Internal Audit each year may slightly skew the figures. See Appendix 3 for a detailed analysis of assurances from reviews completed during 2020/21.

Priority of Recommendations

Where Internal Audit work identifies areas for improvement, recommendations are made to manage the level of risk. These are categorised as Critical, High, Medium or Low priority. The number of recommendations made during 2020/21 to address critical, high and medium priority issues is shown in the following table:

Categorisation of Risk	Definition	Number
Critical	Major issues that we consider could have a significant impact upon not only the system, function or process objectives, but also the achievement of the Council's objectives	0
High	Major issues that we consider need to be brought to the attention of senior management.	3
Medium	Important issues which should be addressed by management in their areas of responsibility.	31
Total		34

A total of 34 audit recommendations were made and agreed, of which 9% were rated high priority. This compares with 143 made in 2019/20 of which 18% were high priority. These figures, as at 31 May 2021, do not include the recommendations from audits still in progress, including 7 draft reports.

Definitions of the report ratings for each audit can be found at Appendix 5.

Internal Audit Annual Opinion

Internal audit is satisfied that despite the limited amount of audit reviews undertaken, sufficient audit work has been performed to enable an opinion to be given on the adequacy and effectiveness of the Council's risk, governance and control framework. In providing this opinion, it should be recognised that the assurance given represents an assessment of risks to be addressed. The most that Internal Audit is able to provide is adequate assurance that there are no major weaknesses in the system of internal control.

The audit opinion is based upon: -

- Audits undertaken during the year
- Follow up actions in respect of previous years' audits
- Any significant recommendations not accepted by management and the resulting risks
- Effects of any significant changes in the Council's objectives or systems
- Any reliance being placed upon third party assurances
- Cumulative knowledge and experience of the systems and controls in place

Internal Audit work performed during 2020/21 supports the conclusion of adequate assurance that the Council's control framework is operating effectively. In support of this conclusion: -

- Weaknesses identified in individual audits were not significant in aggregate to the overall system of internal control
- 'High' risk rated weaknesses identified during individual audits are isolated to specific systems or processes

- Appropriate remedial actions have been taken by managers during the year to implement audit recommendations and hence strengthen the Council's control framework
- No audit reviews were classified as providing 'no' assurance

Overall Assurance

The results of internal audit work indicate that, overall, the Council's control framework is adequate, remains robust and continues to display the improved levels of assurance to the control, risk and governance environment that have been achieved over recent years. Control of key financial systems, governance and risk (for risks identified in the published risk registers) has been generally sound. There were obviously weaknesses in the security of our IT systems which left the Council exposed to the cyber attack. It is acknowledged that this is a risk faced by all organisations with legacy systems and would have been impossible to completely avoid. Subsequent work rebuilding the affected systems will mean enhanced security and controls will be in place to better equip the Council to defend against a repetition of the attack in the future.

During the year the only review issued with 'limited' assurance was Yesodey Hatorah School. Recommendations raised during the review will be tracked and verified once implemented.

Performance and Effectiveness of Internal Audit

Key Performance Indicators for Internal Audit have been established and targets set as part of the annual planning process. Performance against the targets set for 2020/21 are shown in Appendix 2.

In total, 86% of audits in the revised plan were completed or in progress as at 31 March 2021 (compared to 79% at the equivalent stage in 2020/21). On average draft audit reports were issued within 9 days of completing fieldwork, against our target of 15 days. This performance of the service was impacted by the outbreak of the Covid-19 pandemic and the effect this had Councilwide to services and resources.

High levels of satisfaction with audit services have been reflected in the management feedback obtained from questionnaires throughout the year, which were returned after audits were completed. These showed that 93% of managers felt that audits were excellent or exceeded expectations. Internal Audit management took a decision not to issue surveys in the final quarter of the year to minimise pressures on service managers.

Conformance with Standards

The audit service undertakes work in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS), which came into effect in 2013, and the supplementary Local Government Application Note published by CIPFA. On 1 April 2017 an updated version of the PSIAS was published, this incorporated new and revised international standards and consequent amendments to the additional public sector requirements and interpretations.

In order to meet the requirements of the PSIAS, Internal Audit is subject to a quality assurance and improvement programme that covers all aspects of internal audit activity. This consists of an annual self-assessment of the service, ongoing performance monitoring and an external assessment at least once every five years by a suitably qualified, independent assessor. Under pan-London arrangements agreed in 2013, a peer review of the Council's audit service against the PSIAS was conducted in April 2016. This assessment concluded that overall the internal audit service 'generally conforms' to the criteria as set out in the PSIAS. Action has been taken to implement and embed the recommendations.

Key Themes

Internal auditors have continued to work closely with officers during 2020/21 and have been engaged in open and challenging discussions about issues raised in Internal Audit reports. These discussions have shown good engagement from management and this has helped to ensure the outputs from Internal Audit work assist management in addressing any issues identified and adds value to the organisation. The key themes identified during our audit work in 2020/21 are set out below.

Covid-19 Pandemic

Although an adequate assurance opinion has been provided, there have been significant changes across the authority as a result of the outbreak of Covid-19 which has impacted every aspect of our service provision, financial resilience, ways of working and of course the health and welfare of those living and working in the borough and especially the most vulnerable in our society. The restructuring of services was suspended due to the pandemic and this has also impacted on the overall control environment and governance arrangements.

Our governance arrangements have responded to the crisis, in line with the emergency provisions that were made in the Coronavirus Act 2020, and we have continued to carry out effective governance despite the huge disruption caused by Covid-19. There will, be a need to review the Council's governance framework as a result of the changes implemented in response to the pandemic including, but not limited to, the Local Code of Corporate Governance, business continuity, risk management, financial and corporate resilience. Work on reviewing the Local Code of Corporate Governance is already underway.

Cyber Attack

The completion of the planned audits during 2020/21 was further impacted by the cyber attack in October 2020. Work on the planned audits that had to be postponed due to the response to the pandemic were recommenced in September 2020. However, following the cyber attack, all internally hosted legacy systems were unavailable, severely restricting the audit reviews that could be completed during the reporting year. The recovery work is complex and extensive, with priority being given in line with the Cyber Gold priorities. As a result of the move of some legacy systems to cloud based platforms the data saved on these platforms, including the intranet, remained available.

Since the attack, as well as continuing to provide the additional services to support the corporate response to the pandemic, the Council has focussed resources on rebuilding business critical systems to enable essential services to be delivered. In rebuilding the infrastructure the Council has adopted the approach to rebuild better rather than simply trying to recover all the affected data. The ongoing recovery work continues to include significant progress to recover data onto modern cloud technologies, which in many cases presents a faster route to recovery and supports delivery of the Council's longer term strategy for technology and data. This includes migrating recovered data onto new cloud based systems which were already in progress, procurement of cloud based systems to replace legacy systems and development of modern digital tools where that presents the best strategic fit. This will provide more robust security protection, reducing the risk of a future attack.

Key Financial Systems

The audit of key financial systems assists the Council's external auditors with their audit planning and provides the necessary confidence that key financial controls in the fundamental systems are operating satisfactorily and support a robust internal control environment.

The Audit Plan includes continuous review of different aspects of the Council's key financial systems, to enable an assurance opinion to be determined for these significant systems which are core to the Council's achievement of its objectives. Unfortunately due to the pandemic and cyber attack only one review, Treasury & Investments, was undertaken during the year. The findings of these audits together with the findings of audits for similar key areas undertaken in previous years are summarised below. A more detailed analysis is provided at Appendix 4.

Assurances for Key Financial Systems	2020/21		2019/20		2018/19		2017/18		2016/17	
	No. of projects	%	No. of projects	%	No. of projects	%	No. of projects	%	No. of projects	%
Significant	1	100	6	67	6	67	6	60	2	20
Reasonable	-	-	3	33	3	33	2	20	6	80
Limited	-	-	-	-	-	-	2	20	-	-
No	-	-	-	-	-	-	-	-	-	-
Total	1		9		9		10		8	

Risk Management

Internal Audit planning continues to rely upon the Council's risk management processes, not only by being embedded in the production of the Annual Audit Plan but also as part of the scoping and execution of each individual audit. In preparing the Internal Audit Annual Plan, the Council's corporate and directorate risk registers are used to ensure that there is focus on those areas where there is significant risk to the Council's achievement of its objectives. Each area of activity is evaluated against the relevant risk register assessment to identify the impact and likelihood of concerns that management have identified, including any existing or anticipated material changes to systems, legislation, resources, etc., and also the last audit assurance rating, when the system was last audited and its financial value.

When scoping each audit and producing the terms of reference, the auditors refer to the directorate or divisional risk registers to ensure that key risks are identified and considered, and that no major risks are missed out.

Regular communication has been undertaken with the Corporate Risk Advisor on areas which could be of particular interest. The Corporate Risk Advisor sits with the Internal Audit Team and regularly contributes at Internal Audit meetings to ensure a clear linkage is achieved between management of risks and internal audit, and an emphasis is given to the importance of effective internal controls across the Council.

The Corporate Risk Advisor is informed of all 'high' priority recommendations so that these can be taken into account as part of the regular review of the Council's risk registers.

Management's Response to Recommendations

Implementation of agreed audit recommendations

In order to ensure that managers are responsive to addressing identified system weaknesses and that the Council's control framework is continuously being strengthened, progress with implementing agreed recommendations is tracked. For all high priority recommendations raised since 1 April 2016 and due for implementation by 31 May 2021 results are shown below: -

High Priority Recommendations

Directorate	Implemented (including no longer relevant)	Partially Implemented*	Not implemented /No response	Not Yet Due	Total*
Children's, Adults and Community Health	18	1	1	0	20
Neighborhoods and Housing	48	8	0	6	56
Finance & Resources	17	4	1	0	22
Chief Executive's	5	0	0	0	5
Corporate/Cross-Cutting	4	1	0	0	5
Total number	92	14	2	6	108
Percentage (%)*	85%	13%	2%	n/a	100%

*Does not include Not Yet Due

The target for 2020/21 is for 90% of high priority recommendations to be implemented by the agreed timescale. The percentage currently stands at 85% fully implemented and 13% partially implemented. This compares with 93% implementation in 2019/20 and 75% implementation in 2018/19.

Medium Priority Recommendations

Of the medium priority recommendations made and due to be implemented, 87% were verified as implemented, which compares with 83% in 2019/2020 and 77% in 2018/19.

Directorate	Implemented (including no longer relevant)	Partially Implemented*	Not implemented /No Response	Not yet due	Total*
Children's, Adults and Community Health	79	6	7	2	92
Neighbourhoods and Housing	112	6	3	13	121
Finance & Resources	114	17	12	3	143
Chief Executive's	25	0	0	0	25
Corporate/Cross-Cutting	19	1	1	3	21
Total number	349	30	23	21	402
Percentage (%)*	87%	7%	6%	n/a	100%

*Does not include Not Yet Due

Directorate Analysis

The number of audits completed from the 2020/21 audit plan for each directorate and the overall report ratings are summarised in the table below (Appendix 5 provides definitions of the assurance ratings).

Directorate	Significant	Reasonable	Limited	No	No Opinion	Total	2019/20 Overall Assurance	2018/19 Overall Assurance
Cross Cutting	-	1	-	-	-	1	Reasonable	Reasonable
Children, Adults & Community Health	N/A	N/A	N/A	N/A	N/A	N/A	Reasonable	Reasonable
New - Children & Education	1	-	-	-	-	1	N/A	N/A
New - Adults, Health & Integration	-	-	-	-	-	-	N/A	N/A
Neighbourhoods & Housing	-	-	-	-	-	-	Reasonable	Significant/Reasonable
Chief Executives	-	-	-	-	-	0	N/A	N/a
Finance & Corporate Resources (including ICT)	3	-	-	-	-	3	Significant	Significant/Reasonable
Schools	1	5	1	-	4	11	Significant	Reasonable
Total	5	6	1	0	4	16	Significant/Reasonable	Significant/Reasonable

N.B. This should be read with caution as the same areas are not audited each year.

Schools and Children's Centres

During the year 7 schools were reviewed, including 2 linked children centres, of these 1 was given 'Significant' assurance, 5 were given 'Reasonable' assurance, 1 was 'Limited' assurance. In addition, specific DoFE grant assurance work was undertaken for 3 schools and one Academy. The direction of travel has improved at 1 school, remained the same at 5 schools and decreased at 1 school. There were a total of 1 high priority and 34 medium priority recommendations made in relation to schools audits in 2020/21.

The table below provides an analysis of the common high and medium priority issues emerging from the school audits performed during 2020/21.

Risk Area	Number of high priority	% of high priority	Number of medium	% of medium
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	issues	issues	priority issues	priority issues
Governance Issues (includes approved procedures, register of interests, Terms of Reference and whistleblowing arrangements)			15	45%
Budgets (planning, monitoring & reporting, including budget setting & approval)			3	9.5%
Administration and management of monies/bank account (includes petty cash arrangements and voluntary fund)			4	12%
Purchasing arrangements (includes supplier arrangements, selection, use of purchase orders and contractor arrangements)	1	100%	7	21%
Income			1	3%
Safeguarding of assets (including asset registers and insurance)			2	6.5%
Payroll issues (including IR35 & self employment)			1	3%
Total	1	100%	33	100%

The table below provides an overview of Schools' recommendations for the period 2016/17 - 2020/21.

High and Medium Priority Recommendations 2016/17- 2020/21

Recommendation Priority	Implemented (including no longer relevant)	Partially Implemented*	Not implemented/ No response	Not Yet Due	Total*
High	92	14	2	6	108
Medium	349	30	23	21	402
Total number	441	44	25	27	510
Percentage (%)*	86%	9%	4%	n/a	100%

*Does not include Not Yet Due

Internal Audit performance in 2020/21

Objective	KPIs	Targets	Actual
<p>Cost & Efficiency</p> <p><i>To ensure the service provides Value for Money</i></p>	<p>1) Percentage of planned audits completed to final/draft report stage</p> <p>2) Average days between the end of fieldwork & issue of the draft report.</p>	<p>1) 90% by year end</p> <p>2) Less than 15 working days</p>	<p>1) 73% complete or in progress</p> <p>2) 9 days</p>
<p>Quality</p> <p><i>To ensure recommendations made by the service are agreed and implemented</i></p>	<p>1) Percentage of significant recommendations made which are agreed</p> <p>2) Percentage of agreed high priority recommendations which are implemented</p>	<p>1) 100%</p> <p>2) 90%</p>	<p>1) 100%</p> <p>2) 85% - fully implemented 13% - partially implemented</p>
<p>Client Satisfaction</p> <p><i>To ensure that clients are satisfied with the service and consider it to be good quality</i></p>	<p>1) Results of Post Audit Questionnaires</p> <p>2) Results of other Questionnaires</p> <p>3) No. of Complaints / Compliments</p>	<p>1) Responses meeting or exceeding expectations</p> <p>2) Satisfactory</p> <p>3) Actual numbers reported</p>	<p>1) 100% 93% exceeded expectations and excellent)</p> <p>2) N/A</p> <p>3) None</p>

Detailed Analysis of Internal Audit Reviews 2020/21

Internal Audit Annual Plan					
Progress to 31 May 2021					
Code	Description	High Priority Recs	Medium Priority Recs	Audit Assurance	Status
2019/20 Audits					
1920LBH01	AGS Co-ordination 2019/20	N/A	N/A	N/A	Completed
1920LBH09	IR35	2	2	Limited	Final
1920CACH13	Children Leaving Care	2	9	Limited	Final
1920CACH14	Children's Disability Payments	6	3	Limited	Final
1920CACH15	Schools Overview Report 2018/19	N/A	N/A	N/A	Final
1920CACH16	Special Educational Needs (SEN) Transport	0	7	Reasonable	Final
1920CACH03	Mortuary Statutory Review				Draft on hold due to pandemic
1920ICT02	Cyber Resilience	5	9	Limited	Draft
1920NH05	DLO	0	0	Significant	Final
1920NH07	Major Works	2	5	Limited	Final
1920NH12	Parking Income	0	2	Reasonable	Draft
1920NH13	Markets Management	0	0	Significant	Final
1920SCH06	Daubeney Primary	1	3	Reasonable	Final
1920SCH14	Sebright School	1	2	Reasonable	Final
1920SCH23	Lauriston Primary	0	2	Significant	Final
1920SCH29	Randal Cremer Primary	1	5	Reasonable	Final
1920SCH41	St Scholastica Catholic Primary	0	2	Significant	Final

Internal Audit Annual Plan					
Progress to 31 May 2021					
Code	Description	High Priority Recs	Medium Priority Recs	Audit Assurance	Status
2020/21 Audits					
Corporate / Cross Cutting					
2021LBH01	AGS co-ordination 2020/21				In Progress
2021LBH07	Review of Contract Management - Performance Management	0	3	Reasonable	Final
2021LBH08	Corporate Response to Covid-19 - Business Continuity - Grant Expenditure - Insurance/RM - PPE Allocation	0 0 N/A	3 0 N/A	<div style="text-align: center;"> </div> Draft Significant WiP N/A - Advisory	Various areas
Chief Executive's					
Adults, Health & Integration					
Public Health					
Children & Education					
Children & Families					
2021CACH08	Safeguarding - Children not Registered in School - Follow up	0	0	Significant	Final
Education					
2021CACH10	Schools overview report 2020/21	N/A	N/A	N/A	Final
2021CACH11	Themed audit Early Years Setting -15 hours free entitlement for 2 year olds				In progress

FINANCE & CORPORATE RESOURCES					
Strategic Property					
Financial Management					
2021FCR05	Treasury and Investments	0	1	Significant	Final
Audit & Anti-Fraud					
2021FCR09	Anti-Fraud				Draft
Procurement					
2021FCR08	Virtual Payment Cards - Post Implementation Review	0	1	Significant	Final
2021FCR10	Conflicts of Interest in Procurement				Draft
Customer Services					
Human Resources					
2021CE04 (moved from Chief Exe's)	Establishment	0	2	Significant	Final
ICT					
2021ICT03	Mobile Device Security & EP Security				In progress
2021ICT04	Service Desk Case Management & End User experience				In progress
2021ICT05	GDPR - Privacy by Design (1920ICT04)				In progress
2021ICT06	Academy Project - Recovery from Cyber Attack				In progress - ongoing advisory
Neighbourhoods & Housing					
Housing					
2021NH01	Wyke TMO				In progress
2021NH02	Suffolk TMO				In progress
2021NH03	Cautionary Contact C/Tax & Hackney Housing (1920FCR08)				In progress

Public Realm					
2021NH06	Use of Infrastructure Levy/section 106				ToR Issued
Schools					
Primary Schools					
2021SCH01	Gainsborough Community Primary & Children's Centre	0	3	Reasonable	Final
2021SCH04	Berger Primary	0	5	Reasonable	Final
2021SCH03	Queensbridge Primary & Mapledene Children's Centre	0	3	Significant	Final
2021SCH07	St. John the Baptist CE Primary	0	3	Reasonable	Final
2021SCH08	St. Matthias CE Primary	0	3	Reasonable	Final
2021SCH13	Primary Advantage Federation (PAF)	0	5	Reasonable	Final
2021SCH16	Viridis Federation	-	-	N/A	Final - Grant Assurance
Secondary Schools					
2021SCH11	Yesodey Hatorah Senior Girls' School	1	11	Limited	Final
Other Schools					
2021SCH12	Ickburgh School				In progress
2021SCH15	Clapton Girls' Academy	-	-	N/A	Final - Assurance
2021SCH17	Stormont House	-	-	N/A	Final - Grant Assurance

Internal Audit Annual Plan

Cancelled/Deferred at 31 March 2021

Code	Description	Status
2020/21 Audits		
Corporate / Cross Cutting		
2021LBH02	Pension Fund	Deferred to 2021/22
2021LBH03	Commercialisation (1920LBH08)	Cancelled at management request
2021LBH04	Equal Pay	In progress but on hold due to cyber attack
2021LBH05	Company Management/ Governance (e.g. Hackney Light & Power, Tiger Way, Ed Partnerships)	Deferred to 2021/22 due to Covid-19
2021LBH06 / 2021CE02	Climate Change & Environmental Sustainability	Deferred to 2021/22 as new strategy being written
2021CE01	Electoral Services (1920CE01)	Deferred to 2021/22 due to Covid-19
2021CE02	Environmental Sustainability (2021LBH06) & Climate Change - Zero Carbon Footprint	Deferred - waiting for new strategy to be agreed
2021CE03	Grants (1920CE03)	Deferred to 2021/22 due to Covid-19
2021CACH01	Mortuary Statutory Review	On hold due to pandemic
2021CACH02	Residential Care (1920CACH02)	Deferred to 2021/22 due to Covid-19
2021CACH03	Integrated Learning Disabilities Service (ILDS)	Deferred to 2021/22 due to Covid-19
2021CACH04	Direct Payments (1920CACH18)	Deferred to 2021/22 due to Covid-19
2021CACH05	Adults Homecare Payments Team (1920CACH07)	Deferred to 2021/22 due to Covid-19
2021CACH06	Housing with Care (1920CACH06)	Deferred to 2021/22 due to Covid-19
2021CACH07	LAC Incidentals (incl. Follow up)	Deferred to 2021/22 due to Covid-19
2021FCR01	Consultants (1920FCR01)	Cancelled at management request replace by new review 2021FCR10
2021FCR02	FM in Schools - Follow up (1920FCR15)	Deferred to 2021/22 due to Covid-19
2021FCR03	Capital Budget Monitoring	Cancelled - Included in Deep Dive by Audit Committee

2021FCR04	NNDR/Business Rates	Deferred to 2021/22 due to Covid-19
2021FCR06	Upgraded Main Financial System Post Implementation Review	Deferred due to Cyber attack
2021FCR11	Income Compensation Scheme - audit of grant claim	Cancelled at management request
2021FCR07	Council Tax	Deferred to 2021/22 due to Covid-19
2021ICT01	Programmes & Projects/Project Benefit Appraisal	Deferred to 2021/22 due to Cyber attack
2021ICT02	ICT Risk Management, sources of assurance	Deferred to 2021/22 due to Covid-19
2021NH04	Capital Schemes - Monitoring/Project Management (1920NH10)	Cancelled - Included in Deep Dive by Audit Committee
2021NH05	Gold Loggists	Cancelled due to Covid-19
2021NH07	Build Quality on New Builds	Cancelled at request of management, no longer relevant
2021SCH02	Lubavitch Children's Centre	Cancelled at management request - no longer maintained by LBH
2021SCH05	Gayhurst Community School	Cancelled - now part of Leap Federation
2021SCH06	Holmleigh Primary	Cancelled
2021SCH09	Colvestone Primary	Deferred at Mgmt request
2021SCH10	Shoreditch (Whitmore) Primary	Cancelled at management request

Key Financial Systems Analysis of Audit Findings

System		Internal Audit Findings					
		2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
Main Accounting System/General Ledger		N/a	Significant	Significant	N/a	N/a	Significant
Capital Asset Accounting/Capital Programme		N/a	N/a	Significant	N/a	N/a	Significant
Treasury Management		Significant	N/a	Significant	N/a	N/a	N/a
Cash Receipting/Banking		N/a	Significant Self-service Payment Centre	N/a	On line – Significant Bank accounts - Reasonabl e	Reasonabl e	Significant
Commercial Property		N/a	Reasonabl e Debt Mgmt	N/a	N/a	N/a	N/a
Procurement		Conflicts of Interest	Reasonabl e Single Tender Action	N/a	Limited e-tendering	Reasonabl e	Limited ASC Contracting
NNDR	Billing	N/a	N/a	Significant	N/a	N/a	N/a
	Valuation, Liability & Collection	N/a	N/a	Significant	Significant	N/a	N/a
	Liability – Charitable Relief	N/a	N/a	Reasonabl e	N/a	Reasonabl e	N/a
	Liability – Empty Rating	N/a	N/a	N/a	N/a	Reasonabl e	N/a
	Recovery & Enforcement	N/a	N/a	Reasonabl e	N/a	N/a	N/a
	Pool Claim	N/a	N/a	N/a	N/a	N/a	N/a
Housing Benefit	Benefit Application	N/a	N/a	N/a	N/a	N/a	N/a
	Overpayments	N/a	N/a	Significant	N/a	N/a	N/a
	Reclaim of Grants	N/a	N/a	N/a	N/a	N/a	N/a
	Benefits Admin	N/a	N/a	N/a	N/a	N/a	Significant – Change of Circumstance
	Appeals	N/a	Significant	N/a	N/a	N/a	N/a

	Reconciliations	N/a	N/a	N/a	N/a	N/a	N/a
	CTRS	N/a	N/a	N/a	Significant	N/a	N/a
Accounts Payable	Central Systems	N/a	Significant	Reasonable	Significant	Significant	Significant
	Directorate Systems	N/a	N/a	N/a	N/a	N/a	N/a
Payroll	Overall (key controls)	N/a	Reasonable	N/a	N/a	N/a	N/a
	Starters and Leavers	N/a	N/a	N/a	Reasonable	N/a	N/a
	Recruitment & Retention	N/a	Significant	N/a	N/a	N/a	N/a
	Variations to Pay	N/a	N/a	N/a	N/a	N/a	N/a
	Computer System	N/a	N/a	N/a	N/a	N/a	N/a
	Processing Payments	N/a	N/a	N/a	N/a	N/a	N/a
	Deductions	N/a	N/a	N/a	Limited	N/a	N/a
	Payroll Tax Management	N/a	N/a	N/a	N/a	N/a	N/a
Accounts Receivable	Billing	N/a	N/a	N/a	Significant	Significant (Rent collection – billing & collection)	N/a
	Collection	N/a	Significant ASC Debt F/up	N/a	Significant	Reasonable (HLT debt)	Reasonable
Council Tax	Tax Setting	N/a	N/a	N/a	N/a	N/a	N/a
	Billing	N/a	N/a	N/a	N/a	N/a	N/a
	Valuation, liability, collection	N/a	N/a	N/a	Significant	N/a	N/a
	Discounts and Exemptions	N/a	N/a	N/a	N/a	N/a	N/a
	Recovery	N/a	N/a	N/a	N/a	N/a	N/a
	Reconciliations	N/a	N/a	N/a	N/a	N/a	N/a

Definitions of Assurance Levels

The **Overall Assurance** given in respect of an audit is categorised as follows:

Level of assurance	Description	Link to risk priorities
Significant	Our work found some low impact control weaknesses which, if addressed would improve overall control. However, these weaknesses do not affect key controls and are unlikely to impair the achievement of the objectives of the system. Therefore we can conclude that the key controls have been adequately designed and are operating effectively to deliver the objectives of the system, function or process.	There are two or less medium-rated issues or only low rated or no findings to report.
Reasonable	There are some weaknesses in the design and/or operation of controls which could impair the achievement of the objectives of the system, function or process. However, either their impact would be less than critical or they would be unlikely to occur.	There is no more than one high priority finding and/or a low number of medium rated findings. However, where there are many medium rated findings, consideration will be given as to whether the effect is to reduce the assurance to Limited.
Limited	There are some weaknesses in the design and / or operation of controls which could have a significant impact on the achievement of key system, function or process objectives but should not have a significant impact on the achievement of the Council's objectives. However, there are discrete elements of the key system, function or process where we have not identified any significant weaknesses in the design and / or operation of controls which could impair the achievement of the objectives of the system, function or process. We are therefore able to give limited assurance over certain discrete aspects of the system, function or process.	There are up to three high-rated findings. However, if there are three high priority findings and many medium rated findings, consideration will be given as to whether in aggregate the effect is to reduce the opinion to No assurance.
No	There are weaknesses in the design and/or operation of controls which [in aggregate] have a significant impact on the achievement of key system, function or process objectives and may put at risk the achievement of the Council's objectives.	There are a significant number of high rated findings (i.e. four or more).



London Borough of Hackney

Internal Audit Charter

June 2021

Internal Audit Charter

1. Introduction

- 1.1 This Charter sets out the purpose, authority and responsibility of the Council's Internal Audit function, in accordance with the UK Public Sector Internal Audit Standards (PSIAS). The Charter will be reviewed annually and presented to the Audit Committee for final approval.

2. Mission, Definition and Core Principles

- 2.1 The Mission of Internal Audit is to "Enhance and protect organisational value by providing risk-based and objective assurance, advice and insight"
- 2.2 Internal Audit is defined by the Public Sector Internal Audit Standards (PSIAS) as *"an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."*
- 2.3 The Core Principles of Internal Auditing which, taken as a whole, articulate internal audit effectiveness, are as follows:
- Demonstrate integrity
 - Demonstrate competence and due professional care
 - Be objective and free from undue influence, i.e. be independent
 - Be aligned with the strategies, objectives and risks of the organisation
 - Be appropriately positioned in the organisation & adequately resourced
 - Demonstrate quality and continuous improvement
 - Communicate effectively
 - Provide risk based assurance
 - Be insightful, proactive and future-focused
 - Promote organisational improvement

3. Purpose

- 3.1. In a local authority internal audit provides independent and objective assurance to the organisation, its elected members, senior management and in particular to the Chief Financial Officer to help him discharge his responsibilities under S151 of the Local Government Act 1972, relating to the proper administration of the Council's financial affairs.
- 3.2. In addition, the Accounts and Audit Regulations (2015) specifically require an internal audit function and state that a relevant body must 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards or guidance'. The standards for 'proper practices' in relation to internal audit are laid down in the PSIAS.
- 3.3. The Council's Financial Procedure Rules (FPR 4) state "a continuous internal audit, under the independent control and direction of the Group Director, Finance and Corporate Resources, shall be arranged to carry out an examination of accounting, financial and other operations of the Council."

4. Authority and Access to Records

- 4.1. In undertaking their duties and responsibilities, auditors and investigators assigned to the Audit and Anti Fraud Division shall be entitled to have full access to all of the Council's data, records, cash, stores, property, assets, personnel and information, whether manual or computerised, that it considers necessary to fulfil its responsibilities. Audit staff may enter Council property and have unrestricted access to all locations and officers where necessary, on demand, and without prior notice. Council staff are expected to provide every possible assistance to facilitate the progress of audits and investigations.
- 4.2. Access rights apply equally to third parties and organisations, as permitted through the associated contract and partnering arrangements. Right of access to other bodies funded by the Council should be set out in the conditions of funding.
- 4.3. The Internal Audit function will consider all requests from the external auditors for access to any information, files or working papers obtained or prepared during audit work that have been finalised, which the external auditor would need to discharge their responsibilities.
- 4.4. All records, documentation and information accessed in the course of undertaking audit reviews shall be used solely for that purpose. All audit staff are responsible for maintaining the confidentiality of information received in the course of their work.

5. Responsibility

- 5.1. The PSIAS requires the Internal Audit Charter to define the terms 'board' and 'senior management' for the purposes of internal audit activity. The Audit Committee has been designated as the 'board' and Hackney Management Team (HMT) as 'senior management'. The role of the Chief Audit Executive as described in the PSIAS will be covered by the role of the Corporate Head of Audit, Anti-fraud and Risk Management and the Head of Internal Audit and Risk Management.
- 5.2. The Council's Head of Internal Audit and Risk Management is required to provide an annual opinion to the Council and to the Chief Financial Officer, through the Audit Committee, on the adequacy and the effectiveness of the framework of governance, risk management and control for the whole Council. In order to achieve this, the Internal Audit function has the following objectives:
 - To provide a high quality, independent and objective audit service that effectively meets the Council's needs, adds value, improves operations and helps protect public resources.
 - To provide assurance that the Council's operations are being conducted in accordance with external regulations, legislation, internal policies and procedures.
 - To provide assurance that significant risks to the Council's objectives are being identified and managed.

- To provide independent assurance over the risk management, internal control and governance processes.
 - To provide advice and support to management to enable an effective control environment to be maintained.
 - To promote an anti-fraud, anti-bribery and anti-corruption culture within the Council to aid the prevention and detection of fraud.
 - To investigate allegations of fraud, bribery and corruption (this is undertaken by the Audit Investigation Team).
 - To promote and develop the risk management processes and awareness across the Council.
- 5.3. There are inherent limitations in any system of internal control and thus error or irregularities may occur and may not be detected by internal audit's work. When undertaking audit reviews, internal audit will provide management with comments and report on failures or weaknesses in internal control systems together with recommendations for remedial action. It remains a management responsibility to maintain an effective system of internal control. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.
- 5.4. The remit of Internal Audit covers the entire framework of governance, risk management and control for the Council.
- 5.5. Where appropriate, Internal Audit may undertake consulting work for the benefit of the Council. Consultancy is defined as " Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation's governance, risk management and control processes without the internal auditor assuming management responsibility. Examples include advice, facilitation and training".
- 5.6. Internal Audit may also provide assurance to the Council on third party operations (such as contractors and partners) where this has been provided for as part of the contract.

6. Reporting

- 6.1. The PSIAS require the Head of Internal Audit to report at the top of the organisation and this is done in the following ways:
- (i) An Annual Report and Annual Audit Opinion which is used to inform the Council's Annual Governance Statement and which concludes on the overall adequacy and effectiveness of the framework of governance, risk management and control. The annual report includes:
- The opinion
 - A summary of the work that supports the opinion; and
 - A statement of conformance with the PSIAS and the results of the quality assurance and improvement programme derived from the internal or external assessment. Any instances of non-conformance with the PSIAS will be reported to HMT and the Audit Committee and will be included in the Annual Report. If there is significant non-

conformance this may be included in the Annual Governance Statement

- (ii) The Internal Audit Strategy and Charter and any amendments to them are reported to the Audit Committee.
- (iii) The Internal Audit Annual Plan is compiled by the Head of Internal Audit and Risk Management taking account of the Council's risk framework, which includes calculating a score based on both impact and likelihood, and after input from members of HMT and other senior managers it is then presented to HMT and the Audit Committee for final comment and approval.
- (iv) The Internal Audit budget is reported to Cabinet and Full Council for approval annually as part of the overall Council budget.
- (v) The adequacy, or otherwise, of the level of internal audit resources (as determined by the Group Director of Finance & Corporate Resources) and the independence of the Internal Audit function will be reported annually to the Audit Committee. The approach to providing resources is set out in the Internal Audit Strategy.
- (vi) Performance against the Internal Audit Annual Plan and any significant risk exposures and control issues arising from audit work are reported to the Audit Committee on a quarterly basis.
- (vii) Any significant consulting activity not already included in the Audit Plan which might affect the level of assurance work undertaken will be reported to the Audit Committee.

7. Independence

- 7.1. The Corporate Head of Audit, Anti-Fraud and Risk Management is line managed by the Chief Financial Officer however both the Corporate Head of Audit, Anti-Fraud and Risk Management and the Head of Internal Audit and Risk Management have free and unfettered access to the following: -
- Group Director, Finance & Corporate Resources (Chief Financial Officer)
 - Chief Executive
 - Chair of the Audit Committee
 - Monitoring Officer
 - Any other member of the Hackney Management Team
- 7.2. The independence of the Corporate Head of Audit, Anti-Fraud and Risk Management is further safeguarded by ensuring that the annual appraisal of the post holder is not inappropriately influenced by those subject to audit. This is achieved by ensuring that the Chief Executive contributes to, and/or reviews the appraisal of the Corporate Head of Audit, Anti-Fraud and Risk Management.
- 7.3. All Council and agency staff working in the Internal Audit and Investigation Teams are required to make an annual declaration of interest to ensure that auditors' objectivity is not impaired and that any potential conflicts of interest are appropriately managed. Auditors are also frequently rotated to prevent over-familiarity or complacency which could influence objectivity. In addition stringent procedures are in place relating to the acceptance of gifts and hospitality and the prevention of bribery.

- 7.4. Internal Audit may also provide consultancy services, such as providing advice on implementing new systems and controls. Any significant consulting activity not already included in the audit plan and which might affect the level of assurance work undertaken will be reported to the Audit Committee. To maintain independence, any audit staff involved in significant consulting activity will not be involved in the audit of that area for at least 12 months.
- 7.5. Internal Audit must remain independent of the activities that it audits to enable auditors to make impartial and effective professional judgements and recommendations. Internal auditors have no operational responsibilities or authority over any of the activities audited.
- 7.6. The responsibilities of the Corporate Head of Audit, Anti-Fraud and Risk Management include risk management and counter fraud. To maintain independence in these areas, their role, and that of the team, is clearly defined. For example, the Corporate Risk Advisor within the Audit Service has a co-ordinating role and provides support and advice for the maintenance of the risk registers and the development of the Council's risk framework, including revising the Risk Strategy and assisting directorates with reviewing their risks. In order to provide the necessary safeguards as set out in PSIAS standard 1112, where the Chief Audit Executive has roles beyond internal auditing, when audits are conducted in these areas, the Corporate Head of Audit, Anti-Fraud and Risk Management and/or the Head of Internal Audit & Risk Management, will remove themselves from the review process of these audits, and all findings and draft reports will be shared at their conclusion with both of these officers and the Group Director, Finance & Corporate Resources.
- 7.7. Internal Audit is involved in the determination of its priorities in consultation with those charged with governance. Accountability for the response to the advice and recommendations of Internal Audit lies with management. Managers must either accept and implement the advice and recommendations, or formally reject them accepting responsibility and accountability for doing so. When the Head of Internal Audit and Risk Management concludes that management has accepted a level of risk that may be unacceptable to the Council, the Head of Internal Audit and Risk Management must discuss the matter with senior management. If the Head of Internal Audit and Risk Management determines that the matter has not been resolved, the matter will ultimately be communicated to the Audit Committee.

8. Counter Fraud

- 8.1. Managing the risk of fraud and corruption is the responsibility of management. Internal Audit reviews alone cannot guarantee that fraud or corruption will be prevented or detected. Internal Auditors will, however, be alert in their work to risks and exposures that could allow fraud, corruption or other irregularity to take place.
- 8.2. The Corporate Head of Audit, Anti-Fraud and Risk Management will work together with the Head of Internal Audit and Risk Management to seek to develop proactive anti-fraud work through a series of specifically focussed audits into areas of high risk of fraud and irregularity.

- 8.3. The Investigation Teams will respond to all notifications of fraud and suspected financial irregularity and will undertake investigations to assess the validity of such allegations. Where weaknesses in internal control are identified these will be communicated to Internal Audit in order that appropriate recommendations can be made to strengthen the controls and help prevent such frauds and irregularities reoccurring.
- 8.4. The policies and procedures of the anti-fraud service are detailed in the Council's Anti-Fraud and Corruption Strategy.

9. Due Professional Care

- 9.1. The Internal Audit function is bound by the following standards:
- Institute of Internal Auditors International Code of Ethics
 - UK Public Sector Internal Audit Standards (PSIAS)
 - CIPFA Statement on the Role of the Head of Internal Audit
 - Seven Principles of Public Life (Nolan Principles)
 - All Council Policies and Procedures
 - All relevant legislation
- 9.2. All internal audit staff are required to sign an annual statement confirming their compliance with the IIA Code of Ethics as included in the PSIAS.
- 9.3. Internal Audit is subject to a quality assurance and improvement programme that covers all aspects of internal audit activity. This consists of an annual self-assessment of the service and its compliance with the PSIAS, ongoing performance monitoring and an external assessment at least once every five years by a suitably qualified, independent assessor. An independent assessment was undertaken during 2016.
- 9.4. A programme of Continuous Professional Development (CPD) is maintained for all staff working on audit engagements to ensure that auditors maintain and enhance their knowledge, skills and audit competencies. The Head of Internal Audit and Risk Management is required to hold a professional qualification (CCAB or CMIIA) and be suitably experienced.

10. Related Documents

- Internal Audit Strategy 2020 - 2025
- Internal Audit Annual Plan
- Anti-Fraud and Corruption Policy



London Borough of Hackney

Internal Audit Strategy

Internal Audit Strategy

1. Introduction

- 1.1. This strategy sets out how the Council's Internal Audit Service will be developed and delivered in accordance with the Internal Audit Charter. The strategy will be reviewed annually and presented to the Audit Committee.

2. Internal Audit Objectives

- 2.1. Internal Audit will provide independent and objective assurance to the organisation, its elected Members, HMT and in particular to the Chief Financial Officer to support him in discharging his responsibilities under S151 of the Local Government Act 1972, relating to the proper administration of the Council's financial affairs.
- 2.2. It is the Council's intention to provide a best practice, cost efficient internal audit service.

3. Internal Audit's Remit

- 3.1. Internal Audit is an assurance function that primarily provides an independent and objective opinion on the degree to which the framework of governance, risk management and control supports and promotes the achievement of the Council's objectives.
- 3.2. Under the direction of a suitably qualified and experienced Corporate Head of Audit, Anti-Fraud and Risk Management and Head of Internal Audit and Risk Management, Internal Audit will: -
- Provide management and Members with an independent, objective assurance on the framework of governance, risk management and control and its effectiveness in achieving the Council's objectives and priorities
 - Provide management with a consulting activity designed to add value and improve the Council's operations
 - Assist the Audit Committee to reinforce the importance of effective corporate governance and ensure internal control improvements are delivered
 - Drive organisational change to improve processes and service performance
 - Work with other internal stakeholders and customers to review and recommend improvements to internal control and governance arrangements in accordance with regulatory and statutory requirements
 - Work closely with other assurance providers to share information and provide a value for money assurance service

- Promote continuous improvements in risk management and control systems
 - Be alert in all audit work to risks and exposures that could allow fraud, corruption, extravagance, waste or inappropriate use of Council resources
 - Participate in local and national bodies and working groups to influence agendas and developments within the profession
- 3.3. It is recognised that it is management's responsibility to establish and maintain a sound system of internal control and to prevent and detect irregularities and fraud by ensuring that risks are properly managed. Internal Audit cannot absolve management and senior officers of these responsibilities. The overall aim of Internal Audit is to seek out areas requiring improvement and recommend solutions that will enable the Council to better achieve its objectives.
- 3.4. Internal Audit will ensure that it is not involved in the design, installation and operation of controls so as to compromise its independence and objectivity. Internal Audit will however offer advice on the design of new internal controls in accordance with best practice.

4. Service Delivery and Resources

- 4.1. The Service will be delivered by the in house internal audit team under the direction of the Head of Internal Audit and Risk Management.
- 4.2. Internal Audit must be appropriately staffed in terms of numbers, grades, qualification levels and experience, having regard to its objectives and standards.

5. Internal Audit Planning

- 5.1. Audit planning will be undertaken on an annual basis. The plan should be sufficiently flexible to accommodate changes in risks and priorities that arise during the period covered by the plan. Good practice recommends that the audit plan is reviewed on a regular basis throughout the year to ensure that it remains relevant.
- 5.2. Where possible the audit plan will take into account management activities, the external auditor, inspection bodies and other review agencies to ensure the most effective audit coverage is achieved and duplication of effort is minimised.
- 5.3. The annual audit plan and audit coverage will be based on the following: -
- The Council's risk registers together with Internal Audit's own assessment of risk in operational areas considering impact and likelihood.
 - The adequacy of risk management, performance management, internal and external review bodies and other assurance processes within the Council.

- The extent and scope of audit activity in previous years, including the previous audit reports and recommendations made to strengthen controls and enhance systems.
 - The requirements of the external auditors and their ability to utilise the work of Internal Audit in forming their opinion of the Council's Financial Statements.
 - The requirements of regulations and legislation and external factors such as grant conditions.
 - The views of senior managers in the directorates and the assurances received from them regarding internal control, governance and risk management.
- 5.4. The Head of Internal Audit and Risk Management will attend directorate management team meetings as part of the annual planning process to ensure that management views and suggestions are taken into account when producing the audit plan.
- 5.5. The Internal Audit Annual Plan is based on the following: -
- (i) **Risk Based Systems Audit:** Audits of systems, processes or tasks where the internal controls are identified, evaluated and confirmed through a risk assessment process. The internal controls depending on the risk assessment are tested to confirm that they are operating correctly. The selection of work in this category is driven by Directorates' own risk processes and will increasingly include work in areas where Council services are delivered in partnership with other organisations. The results of audit work will be fed back into the risk management process to form a 'virtuous circle'.
 - (ii) **Key Financial Systems:** Audits of the Council's key financial systems. External Audit will have the opportunity to rely on the work of Internal Audit where appropriate.
 - (iii) **Probity Audit (schools and other establishments):** Audit of a discrete unit. Compliance with legislation, regulation, policies, procedures or best practice is confirmed. For schools this includes assessment against the Schools Financial Value Standard. Coverage is dependent on the assessment of the level of risks.
 - (iv) **Computer Audit:** The review of ICT infrastructure and associated systems, software and hardware.
 - (v) **Contract Audit:** Audits of the procedures and processes for the letting and monitoring of contracts, including reviews of completed and current contracts.
 - (vi) **Fraud:** The Audit Investigation Teams, within the Audit and Anti-Fraud Division, will investigate any fraud and irregularity arising during the year and also undertake a programme of proactive counter fraud projects to raise awareness of significant fraud issues.

(vii) Ad-Hoc Work: Due to organisational changes and emerging risks and issues, audit resources may need to be allocated to reviews on an ad hoc basis in areas not envisaged in the annual audit plan. These unforeseen alterations will be agreed by the Head of Internal Audit and Risk Management and reported to the Audit Committee.

6. Follow-up

- 6.1. Internal Audit will evaluate the Council's progress in implementing audit recommendations against set targets for implementation. In areas where there has been limited or no assurance, follow up reviews may be conducted in the following year. Progress will be reported to the Audit Committee on a regular basis.
- 6.2. Where progress is unsatisfactory or management fails to provide a satisfactory response to follow up requests, Internal Audit will implement the escalation procedure as agreed with management. This entails reporting progress with implementation of high and medium priority audit recommendations to directorate management teams on a regular basis.

7. Reporting

- 7.1. Internal Audit reports the findings of its work in detail to local management at the conclusion of each piece of audit work. Progress reports are also periodically issued to the Audit Committee. The Head of Internal Audit and Risk Management's annual report is also submitted to the Audit Committee and this contributes to the assurances underpinning the Annual Governance Statement of the Council.

8. Related Documents

- Internal Audit Charter
- Internal Audit Annual Plan