



AUDIT & PERFORMANCE COMMITTEE

14 September 2020

INTERNAL AUDIT PROGRESS REPORT

Report by Chief Internal Auditor (Report No. G/20/84)

PURPOSE OF REPORT

The purpose of this report is to provide the Audit & Performance Committee with an update on progress in relation to Internal Audit's planned activity.

1. BACKGROUND

The Public Sector Internal Audit Standards (PSIAS) require that the Chief Internal Auditor reports periodically to the Audit and Performance Committee in internal activity and on performance relative to the approved annual plan.

Since the last report to the Audit and Performance Committee, Internal Audit has continued to work on assignments from the 2019/20 Internal Audit Plan (report [G/19/141](#) refers). Two areas of work, Improvement Actions and Performance Management have been finalised and one, relating to Financial Risks, is yet to conclude. One assignment which has concluded for 2019/20 was consultative in nature. As such, a formalised report will not be provided to the Audit & Performance Committee and a summary of the outcomes are included within this report.

At the commencement of the COVID-19 pandemic, all planned Internal Audit work was paused. This was to enable the Partnership to focus on delivering essential services during the pandemic. Throughout the pandemic response, Internal Audit has remained available to provide support and advice in terms of governance, risk management and internal control throughout this period and continues to do so.

Internal Auditors have recently commenced their core work and have been finalising audits from the Internal Audit Plan 2019/20

Work to deliver the Plan will be undertaken through a Joint Working Protocol agreed by the Chief Internal Auditors of both statutory partners.

2. OUTCOME FROM CONSULTANCY WORK

The Public Sector Internal Audit Standards (PSIAS) defines Internal Audit as an independent, objective assurance and consulting activity designed to add value and improve an organisations achievement of its objectives. When consulting activity is undertaken, advice is provided to the organisation in order to ensure that improvements in controls, governance and/or risk management can be effectively progressed. Due to the nature of consulting advice, and to ensure that organisations are more open to requesting the independent and objective advice from Internal Audit where it is felt to be necessary, the standard reporting arrangements to the relevant Audit Committee differ.

Internal Audit's approach is to provide a summary of the outcome of the work to the Audit & Performance Committee.

At the request of the Partnership, the approach taken for the Improvement Actions assignment was to undertake a consultancy assignment in the first instance. The indicative scope of this assignment was originally to review the arrangements in place for the consolidation of improvement actions; and the efficiency and effectiveness of their completion and the ensuing reporting arrangements. However, during discussions with management, this assignment was re-scoped for 2019/20. During 2019/20, it was agreed to provide advice and support for the development of arrangements connected with actions being identified and captured for improvement. This was agreed with the understanding that the second part of the indicative scope, namely the efficiency and effectiveness of their completion and subsequent reporting, would be deferred to 2020/21. This is included within the Internal Audit Plan presented for consideration at this Committee.

Advice has been provided on setting timescales for the completion of actions which are realistic and attainable, given the number and scope of actions and competing priorities; the recording the evidence of progress and completion; and ensuring clarity in reporting to the Board on the priority of the actions and the risks associated of non-completion.

The outcomes from any consulting activity is taken into consideration for future years Internal Audit Plans. In this instance, there is a proposal to undertake a follow up included within the proposed Internal Audit Plan for 2020/21.

3. RECOMMENDATION

The Audit & Performance Committee is asked to:

- i. Note the progress made in the delivery of the 2019/20 plan;
- ii. Note the outcome from the consultancy assignment; and
- iii. Consider the Internal Audit Report on Performance included on the agenda for this meeting.

4. CONSULTATION

The Chief Finance Officer has been consulted on the content of this paper.

Author(s)

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APPENDICES

1. Internal Audit Plan Progress Report