

## **A22. Internal Audit Progress Report**

The committee considered a report by the Internal Audit, Risk, and Corporate Fraud Manager which provided an update on progress with the 2021/22 Internal Audit Plan. It also set out the outcomes of the two assignments from the 2020/21 Internal Audit Plan that were highlighted as 'in progress' at the June 2021 Audit Committee.

The committee asked for an update on recruitment to the vacant position in the Internal Audit team, the Chief Finance Officer explained that discussions between himself and the Internal Audit, Risk and Corporate Fraud Manager had begun in regard to the structure of the team, taking into account the current skills employed. He stated that a provisional business case had been prepared that he expected the position to be filled in the same timescale as any other role.

Members suggested filling posts could be extended due to HR discussions surrounding pay grades to which Mr Smail explained there were no issues with HR in filling the role – the reason the role had been vacant for 9 months was due to Mr Smail and Ms Wright finalising the configuration of the Internal Audit Team. He assured that work would be undertaken to fill the position in a timely manner.

The committee asked what impact Covid-19 had had on the Internal Audit Team. The Internal Audit, Risk and Corporate Fraud Manager explained that the role of the vacant position had been divided between herself and a colleague. Due to the uncertainty of what the position would entail and uncertainties surrounding the pandemic, it was decided that there should be a reduction of the Internal Audit Plan which was presented to the Audit Committee in April. She explained that ongoing work related to the pandemic continued, for example, Following the Pandemic Pound – this work was taken into consideration at the beginning of the financial year and Ms Wright stated that the team had remained reactive and flexible to assist with any further issues. She assured that work was on track for meeting deadlines.

The sample size for the School Holiday Food Fund Grants was 12, members asked if a sample of 12 was reflective. The Internal Audit, Risk and Corporate Fraud Manager explained having a sample of 12 out of 31 was sufficient for capturing an overview of the applicants. The purpose of the sampling was to have a breadth over the timeframe, values and organisations – the School Holiday Food Fund Grant applications were submitted over 3 months (5 samples from October 2020, 4 from December 2020 and 3 from February 2021).

The Internal Audit Team identified that there had been several significant instances of non-conformance with the written grant scheme guidance for School Holiday Food Fund Grants, members asked why this was and how this could be negated in the future. Ms Wright explained that the Head of Housing & Communities requested it as additional work due to it being a new scheme and therefore used to identify where controls may be needed for larger funds which would be implemented in the following year. No

issues were found in segregation of duties which was a positive. Since the applications, there had been consideration over changing the written guidance and recommendations had been implemented within the Service. The Director of Corporate & Housing concurred and explained that the purpose of the work was to be a lessons-learned style report – the report had framed the approach to applying the food fund in future grants. After the initial belief that the funding would be limited to summer 2020, it had become apparent demand was continuing and therefore there was need for robust processes. Of all the recommendations made, he assured that all would be implemented by the time of the new food funds and half had already been implemented. He explained that some of the non-compliances were due to restrictions that the Service had placed on itself and learned that leeway was needed, for example, an application requested £1,050 which was over the £1,000 limit in the guidance, however the full amount was granted.

Following on from a similar question, members noted that assistance in applications should be considered as feedback would suggest fatigue could be increased due to the application process.

### **Decision**

**The Committee noted the progress being made with completing the 2021/22 Internal Audit Plan and the outcomes from the finalised 2020/21 assignments.**