



# WEST NORTHAMPTONSHIRE COUNCIL

## AUDIT AND GOVERNANCE COMMITTEE

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**Report Title** Internal Audit update

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### Contributors/Checkers/Approvers

West MO	Cath Whitehead	
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### List of Appendices

Appendix 1 – Internal Audit progress report 2022-23

Appendix 2 – Audit action tracker

### **1. Purpose of Report**

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1.1 The purpose of this report is to provide an update on work delivered by the Internal Audit team up to 31 January 2023.

### **2. Executive Summary**

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2.1 The Internal Audit service provides assurance that organisational controls are effective and adequately mitigating risk. We also provide counter fraud services, supporting the Council in preventing and investigating fraudulent activity.

### **3. Recommendations**

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3.1 It is recommended that the Committee endorse the position.

#### 4. Reason for Recommendations

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- 4.1 The Audit and Governance Committee is responsible for:
- Providing independent assurance as to the Council’s governance, risk management framework and associated control environment;
  - Providing independent scrutiny of the Council’s financial and non-financial performance and oversee the Council’s financial reporting process

#### 5. Report Background

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5.1 We provide the Audit and Governance Committee with regular updates.

#### 6. Issues and Choices

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##### Internal audit and grant certification

6.1 A detailed progress report for audit activity and grant certifications is attached at Appendix 1 and summarised below.

<b>Audit stage</b>	
Not started	2
Planning stage	5
Fieldwork in progress	5
Draft report	8
Completed	18
<b>Total</b>	<b>38</b>

6.2 We continue to make good progress against the audit plan, both with audit assurance work and grant certifications.

6.3 Due to resource limitations during 2021/22 BDO were contracted to deliver audits. As members will be aware, several of these were carried forward into 2022/23 for completion. We have now received working papers for these audits which we are reviewing to ensure that coverage is sufficient for inclusion in the 2022/23 plan, with additional work identified if required. This review includes limited assurance audits for the CareFirst System, Contract Management Parking and Taxi Licensing.

##### Audit actions

6.4 Upon audit sign off agreed actions are transferred to the action tracker (attached as appendix 2) and these actions are followed up with operational teams. We have been successful in reducing the number of overdue actions, and are now at 16% (31% at the end of December) and will continue to work with operational teams to proactively manage actions .

6.5 We currently have 172 actions on the tracker which fall into the following categories:

Classification		Essential action	Important action	Standard action
Completed	64	8	49	7
Not yet due (including recommendations with agreed extension)	70	21	49	7
Transferred to follow up audit (all limited assurance audits to have a follow up planned, usually within 12 months)	9	5	3	1
Overdue - no management response received	29	0	26	3
Total	172	34	118	20

## Counter fraud activity

- 6.6 Alongside investigating reported frauds and matches from the National Fraud Initiative exercise, we are continuing to develop our counter-fraud measures. These include an iLearn training module available to staff, reporting mechanisms for fraud and the development of a fraud risk assessment process.
- 6.7 Our objective with the fraud risk assessment process is to proactively engage with services to assess and evaluate fraud risk in each area, reviewing countermeasures and evaluating the risk of fraud with a view to raising awareness and recognising good practice. The findings will be reported back to service managers where good practice in fraud prevention and awareness is demonstrated as well as strengthening countermeasures where required.

## 7. Implications (including financial implications)

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### 7.1 Resources and Financial

- 7.1.1 There are no resources or financial implications arising from the proposals.

### 7.2 Legal implications

- 7.2.1 Internal Audit support the Council to meet its obligations under the Accounts and Audit Regulations 2015

### 7.3 Risk

- 7.3.1 There are no risks directly related to the service.

### 7.4 Consultation

- 7.4.1 No consultation is required

**7.5 Consideration by Overview and Scrutiny**

7.5.1 No Overview and Scrutiny comments

**7.6 Climate Impact**

7.6.1 There are not direct climate or environmental implications

**7.7 Community Impact**

7.7.1 There is no community impact

**7.8 Communications**

7.8.1 There are no recommended communications

**8. Background Papers**

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8.1 Previous Internal Audit reports to Committee.