



WEST NORTHAMPTONSHIRE COUNCIL

AUDIT AND GOVERNANCE COMMITTEE

14 June 2023

Report Title Internal Audit update to May 2023

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Contributors/Checkers/Approvers

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List of Appendices

Appendix 1 – Internal Audit progress report 2022-23

1. Purpose of Report

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

2. Executive Summary

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

3.1 It is recommended that the Committee considers and endorses the position.

4. Reason for Recommendations

- 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

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

6. Issues and Choices

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.

Audit stage	
Not started	-
Planning stage	-
Fieldwork in progress	7
Draft report	3
Completed	22
Total	32

6.2 Progress has slowed as we reached the end of the year, and we are monitoring delivery closely. Any audits which are not complete at the end of June will be carried forward to 2023/24 as they will not be eligible for inclusion in the 2022/23 assurance opinion.

6.3 Due to resource limitations during 2021/22 BDO were contracted to deliver audits. All BDO audit working papers have been reviewed and confirmed that the testing and assurance opinions are applicable to 2022/23.

Limited assurance audits

6.3.1 We have introduced proactive monitoring for all limited assurance audits, and we meet with operational managers to ensure that progress is being made to mitigate the control issues raised in the audit, and to ensure that the actions remain applicable and are being actioned.

6.3.2 Updates are provided below for limited assurance audits.

IT related audits (restricted)

Of 20 audit recommendations there are 3 ‘Essential’ that remain outstanding but are in progress. An action plan has been developed so progress can be monitored against the recommendations more easily, including regular discussion of the applicability and ongoing relevance of the actions. The service area has had some issues that have impacted on the

delivery of the audit actions, including staff changes and an increase in business-as-usual activity.

IT Carefirst

Of 8 recommendations, 4 are 'Essential'. One is not due, one is complete and two are outstanding. A meeting with the key personnel obtained an update on the service area and it was agreed to review the implementation dates and current status in light of other factors that may affect the actions required. We are waiting for a response.

Home to School transport

Of 11 recommendations, 5 are 'Essential'. We have a meeting booked with the service to evaluate progress following update meetings, as the service feels all actions have been completed.

Taxi Licensing

Of 13 audit actions, 2 were marked as 'Essential' and the due date is marked as September 2023. A meeting was held with the relevant manager to discuss the service area and to advise to review the dates to ensure target dates would be achievable. We are waiting for a response.

Contract Management – Parking

There were two recommendations for this audit, both have been completed.

Audit actions

6.4 All audit actions are currently being reviewed as part of our year end procedures, and a full update will be provided at the July meeting.

Counter fraud activity

6.5 Alongside our fraud investigations and monitoring, we are carrying out proactive fraud prevention activity, including engagement with a national Blue Badge Day of Action. This involved working with partners across West Northamptonshire to review eligibility and use of blue badges.

7. Implications (including financial implications)

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

8.1 Previous Internal Audit reports to Committee.