

Internal Audit Update Report August to November 2021

Date: 17th December 2021

Report of: Chief Officer (Financial Services)

Report to: A Consultative Meeting of Members of the Corporate Governance and Audit Committee

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- This report provides a source of assurance that the internal control environment is operating as intended through a summary of the Internal Audit activity for the period from August to November 2021. The report highlights the incidence of any significant control failings or weaknesses.
- The work of Internal Audit contributes to Leeds City Council achieving its key priorities by helping to promote a secure and robust internal control environment, which enables a focus on accomplishing Best Council Plan objectives.

Recommendations

Members are asked to:

- a) receive the Internal Audit Update Report covering the period from August to November 2021 and note the work undertaken by Internal Audit during the period covered by the report;
- b) note that there have been no limitations in scope and nothing has arisen to compromise the independence of Internal Audit during the reporting period.
- c) Receive the report providing information relating to the Monitoring of Urgent Decisions covering the period August to November 2021

Why is the proposal being put forward?

- 1 The Corporate Governance and Audit Committee has responsibility for reviewing the adequacy of the Council's corporate governance arrangements, including matters such as internal control and risk management. The Committee also considers the Council's arrangements relating to internal audit requirements, including monitoring the performance of Internal Audit.
- 2 This report provides the Committee with a summary of the Internal Audit activity for the period August to November 2021. The work of Internal Audit offers a key source of assurance

providing the Committee with some evidence that the internal control environment is operating as intended.

- 3 The report also includes information relating to the monitoring of urgent decisions which is included to enable timely consideration of these matters by Committee as agreed following consideration of the annual decision making assurance report at the July meeting.

What impact will this proposal have?

Wards affected:

Have ward members been consulted? Yes No

- 4 This report provides a source of assurance that the internal control environment is operating as intended. The report highlights the incidence of any significant control failings or weaknesses that would require the intervention of the Committee.
- 5 The work of Internal Audit contributes towards Leeds City Council achieving its key priorities and Best Council Plan objectives.

What consultation and engagement has taken place?

- 6 The Internal Audit Plan is developed in consultation with Members and senior management across the authority. Consultation around key risks and priorities continues throughout the year, and continual engagement with directorates is driven through the ongoing completion of audit assignments and the agreement of the associated recommendations.

What are the resource implications?

- 7 The Internal Audit Plan includes a number of reviews that evaluate the effective use of resources and provide assurance on the corresponding financial governance, risk management and internal control arrangements.
- 8 The Internal Audit Update Report also provides the Committee with assurances around the effective use of Internal Audit resources through information pertaining to the delivery and completion of the annual plan.

What are the legal implications?

- 9 The Chief Officer (Financial Services), as the council's Section 151 Officer, is responsible under the Local Government Act 1972, for ensuring that there are arrangements in place for the proper administration of the authority's financial affairs. The work of Internal Audit is an important source of information for the Chief Officer (Financial Services) in exercising her responsibility for financial administration.
- 10 The Public Sector Internal Audit Standards (PSIAS) require the Head of Audit to deliver an annual audit opinion and report that can be used by the council to inform its Annual Governance Statement. Each Internal Audit Update Report will provide a rolling quarterly opinion that will feed into the Internal Audit Annual Report and Opinion.
- 11 The Internal Audit Plan includes a number of reviews that provide assurances around the application of the statutory and constitutional framework.

What are the key risks and how are they being managed?

- 12 The Internal Audit Plan is subject to review throughout the financial year to ensure that audit resources are prioritised and directed towards the areas of highest risk. This process involves the review of information from a number of sources including the corporate and directorate risk registers.
- 13 The risks relating to the achievement of the Internal Audit Plan are managed through ongoing monitoring of performance and resource levels. This information is reported to the Committee.

Does this proposal support the council's three Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

- 14 The Internal Audit Plan provides assurances that span a range of themes including coverage across the council's three Key Pillars.

Options, timescales and measuring success

What other options were considered?

- 15 The work of Internal Audit provides a key source of assurance to the Committee. Additional assurances are obtained through a range of further reports presented to the Committee throughout the year.

How will success be measured?

- 16 Success can be measured through the delivery of the Internal Audit Annual Report and Opinion. Each quarterly update report will provide a rolling quarterly opinion that will reflect the work completed during the period.
- 17 Further performance measures and drivers are under continual review to ensure that relevant performance information is reported to the Committee throughout the year.

What is the timetable for implementation?

- 18 The Internal Audit Plan is in place and is approved annually by the Committee.

Appendices

- 19 A – Internal Audit Update Report August – November 2021
B – Monitoring of Urgent Decisions August – November 2021

Background papers

- 20 None.