

Crawley Borough Council

Report to the Audit Committee

14 December 2021

Internal Audit Progress Report

Report of the Head of Corporate Finance – FIN/542

1. Purpose

- 1.1 The Committee has a responsibility to review the Internal Audit Progress report to ensure that action has been taken by relevant managers on risk based issues identified by Internal Audit.

2. Recommendation

- 2.1 The Committee is requested to receive this report and note progress, as of 27 November 2021.

3. Reasons for the Recommendation

- 3.1 The Committee has a responsibility to ensure that action has been taken by relevant Managers on risk based issues identified by Internal Audit.

4. Background

4.1 Resourcing

Since the time of the last progress report in July 2021, the two remaining members of staff within the internal audit section have left the Council. The Audit and Risk Manager left in September and the Senior Auditor left at the beginning of November. Furthermore, the casual employee brought in to support the delivery of the plan for the year also left in early December. The part time contractor previously used remains an available resource.

Prior to the departure of the Audit and Risk Manager, arrangements were made with the Southern Internal Audit Partnership to provide audit management support to the end of the financial year. Operational monitoring and delivery of the internal Audit Plan is currently being undertaken by the Head of Corporate Finance.

With the subsequent loss of further resource we have been in liaison with the Southern Internal Audit Partnership to determine their availability to provide direct audit resources and additional audit management support. As a result we have been able to secure a number of days from the Southern Internal Audit Partnership to assist in the delivery of the audit plan for the remainder of the year 2021/22.

The options for the future delivery of an internal audit provision are included elsewhere on this Agenda.

4.2 Current Progress of the 2021/22 Audit Plan

Progress against this year's Audit Plan has been significantly delayed due to the high level of carry forward audits from 2020/21 (due to COVID 19), as well as the loss of an experienced Senior Auditor due to retirement.

The number of days available from Southern Internal Audit Partnership combined with the availability of the part time contractor are insufficient to deliver the full Plan as proposed at the beginning of the year. Therefore, in conjunction with the Southern Internal Audit Partnership a revised Plan has been developed which takes into account the requirement to provide an annual assurance opinion on the overall framework of risk management, governance and internal control for the financial year 2021/22.

All areas removed from the 2021/22 Plan will be considered as part of the three year Strategic Plan that will be developed as part of next year's audit planning cycle. There are no management concerns regarding the cyclical audits removed as all but two have had audit coverage within the last three years. All cyclical audits removed received substantial assurance upon last audit and there have been no changes to systems. For refuse and housing repairs, these will be included within next year's Audit Plan so that the audit frequency does not extend beyond four years.

A revised 2021/22 Audit Plan, including current progress is shown in Appendix A.

4.3 High Priority Findings in this Period

There were two high priority findings identified through our audit work during this period:

Complaints Audit 2021/22

- High Priority – 2
- Medium Priority - 3

During the review it was identified that the documented lessons learned from complaints was not in line with the guidance from the Local Government and Social Care Ombudsman as the outcome of the failure was documented rather than addressing the reason for the failure.

It was also identified that there had been no monthly reporting to managers on complaints since September 2020, with no indication as to why this part of the process had ceased.

4.4 Follow Up Audits

No follow up audits have been undertaken in this period.

Due to resourcing issues the planned follow up work due to be reported to this Committee has not yet been undertaken. This is now scheduled to come to the next Committee in March 2022.

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