

Committee: Audit and Scrutiny	Date: 28 September 2021
Subject: Internal Audit Progress Report 2021/22	Wards Affected: All
Report of: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources) and Section 151 Officer	Public
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Summary

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2021/22 internal audit plan.

The following reports have been finalised since the last Committee:

- Covid-19 grants expenditure (Substantial/Moderate)
- Local development plan (Substantial/Substantial)
- IT Data Breaches (Substantial/Moderate)

Main Report

Introduction and Background

1. This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2021/22 internal audit plan. It summarises the work internal audit have done, together with their assessment of the systems reviewed and the recommendations they have raised.
2. Their work complies with Public Sector Internal Audit Standards. As part of their audit approach, they have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable them to give assurance on the risk management and internal control processes in place to mitigate the risks identified.
3. The Audit Committee approved the 2021/22 annual audit plan in March 2021. The progress against plan is reported at every Audit and Scrutiny Committee during 2021/22.

Issue, Options and Analysis of Options

4. The following reports have been finalised since the last Committee:

- Covid-19 grants expenditure (Substantial/Moderate)
- Local development plan (Substantial/Substantial)
- IT Data Breaches (Substantial/Moderate)

The conclusion of each audit is as follows:

Covid-19 grants expenditure (Substantial/Moderate)

5. Overall, we provide substantial assurance on design and moderate assurance on the effectiveness of the key controls.

Our substantive reperformance testing on a sample of Restart grant claims did not identify any inappropriate awards. However, improvements are required with the evidencing of key controls, particularly in relation to clearly documenting the due diligence performed, any queries and resolutions to queries arising from due diligence checks, and who performed the due diligence, final check and approval for payment.

We have raised two medium priority recommendations to improve the audit trail.

Local Development Plan (Substantial/Substantial)

6. Overall, we provide substantial assurance on both the design and operational effectiveness of the key controls.

There is robust oversight and monitoring of the LDP development by the Project Board and through the meetings of the LDP Member Working Group. A number of policies have been included in the LDP to address strategic priorities which are compatible with the Council's Corporate Plan.

Overall, we provide substantial assurance on both the design and operational effectiveness of the key controls.

We have raised two low priority recommendations

IT Data Breaches (Substantial/Moderate)

7. We conclude there is a substantial assurance over the design and moderate assurance for the operational effectiveness of the controls in place at the Council in relation to IT/Data Breach management.

Our review identified a robust framework in place for management of Information Governance incidents and breaches by the Council. However we found several weaknesses relating to the management of Cyber/IT incidents and breaches under the HyTec contract such as the absence of formal KPIs and targeted service level performance metrics and informal monitoring of the contract which could lead to inadequate performance not being identified.

Improvements could also be made to training, monitoring and keeping policies updated.

We have raised four medium priority findings.

10. A Summary of outstanding Recommendations from previous audits are included in Appendix B – Follow up report.
11. This is regularly monitored by Senior Officers and will be followed up again ahead of the next Audit and Scrutiny Committee, along with other recommendations due by 30 October 2021.

Consultation

Not applicable.

Reasons for Recommendation

To monitor the progress of work against the internal audit plan.

References to Corporate Strategy

To ensure the Council is effective and efficient by delivering services that are value for money and meet the needs of our residents.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources) and Section 151 Officer.

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There are no direct financial implications arising from this report.

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law & Governance) and Monitoring Officer

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There are no legal implications arising from this report.

Economic Implications

Name/Title: Phil Drane, Corporate Director (Planning & Economy)

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There are no direct economic implications arising from this report.

Background Papers

None

Appendices to this report

Appendix A: Internal Audit Progress Report
Appendix B: Internal Audit Follow Up Report