

Committee: **Audit Committee**

Date of meeting: **29<sup>th</sup> September 2020**

Report Subject: **Audit Plan Outturn 2019-20**

Portfolio Holder: **Cllr. Nigel Daniels, Leader / Executive Member  
Corporate Services**

Report Submitted by: **Rhian Hayden – Chief Officer Resources  
Louise Rosser – Audit & Risk Manager**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
Virtual	03.09.20		29.09.20					

### 1. Purpose of the Report

- 1.1 The purpose of the report is to update the Audit Committee on the overall outturn position of the Audit Plan for the financial year 2019-20.

### 2. Scope and Background

- 2.1 The report highlights the work undertaken by the Internal Audit Service and complies with the Public Sector Internal Audit Standards (PSIAS).
- 2.2 The Internal Audit Plan is based on formal risk assessments, with the work planned on a five year rolling programme. The Audit Plan for the period 2019-2024 was considered and agreed by the Audit Committee in July 2019.
- 2.3 Progress against the Audit Plan has been reported to the Audit Committee throughout the financial year and this report provides a summary of the overall achievement for the year.

### 3. Options for Recommendation

- 3.1 The Audit Committee considers this report and the Appendices, and notes the levels of audit coverage in each service area, the plan outturn for the financial year and the performance of the Internal Audit Service for the financial year 2019/20.

### 4. Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan

- 4.1 In line with the Corporate Plan Priority of being an efficient Council, presentation of the Internal Audit output for the financial year demonstrates the breadth of the audit coverage of the Council's systems and internal

controls. In doing this it also enables the Chief Officer Resources to satisfy her statutory duties under section 151 of the Local Government Act (1972) in providing an effective Internal Audit Service.

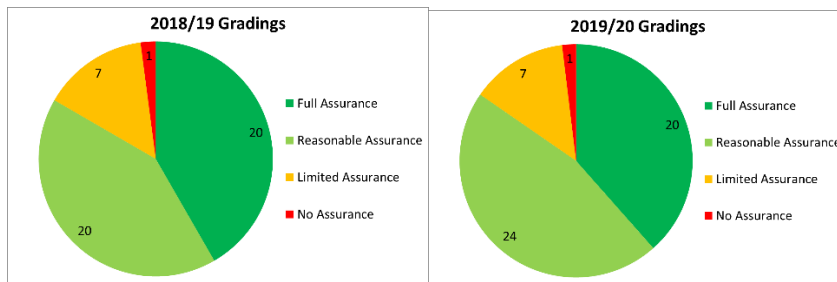
- 4.2 The Audit Committee, in their role as those responsible for governance, and in compliance with the PSIASs, have a responsibility to oversee the performance of the Internal Audit function including receiving a summary of the work upon which the Audit & Risk Manager will base her annual audit opinion.

## **5. Implications Against Each Option**

- 5.1 There are no direct financial implications resulting from this report.
- 5.2 The audit plan outturn demonstrates the breadth of audit coverage to provide assurance that key areas of concern and areas deemed to have the highest risk priority have been examined during the financial year. Failure to cover sufficient audit areas exposes the Authority to the risk that weaknesses within specific systems within the Authority's control environment are not being identified, increasing the risk of fraud and error.
- 5.3 In addition, the Section 151 Officer will not be able to discharge their statutory duties that require the provision of an adequate audit service. This is achieved in part by ensuring the audit service provide sufficient coverage of the Authority's internal control environment, as demonstrated in the audit plan outturn.
- 5.4 The section has a complement of six full time posts. During 2019/20 the section has had a member of staff on long term sickness absence which ended in December 2019.

## **6. Supporting Evidence**

- 6.1 Appendix A shows all audits undertaken during the financial year and their status as at 31<sup>st</sup> March 2020 including their actual or provisional grading (where applicable). Where a provisional grading has been issued the report has not been cleared by the service area and could be subject to change. Performance data for the Section for the period to 31<sup>st</sup> March 2020 is presented at Appendix B. Appendix C illustrates the spread of audit gradings issued during the year compared to the previous year. Appendix D shows the actual audit coverage compared to planned audit coverage by department, based on completed jobs in the year.
- 6.2 Results of audits undertaken during the year have shown improvement with an increase in Reasonable Assurance gradings and a proportional reduction in Limited Assurance gradings as illustrated in the pie charts below. There were 52 graded audits issued for 2019/20, including 1 No Assurance grading relating to an investigation. In addition to the graded audits, 7 follow up audits have also been conducted.



6.3 Provision of sufficient audit coverage supports the Audit Committee in fulfilling its assurance role to the citizens of Blaenau Gwent.

6.4 The Internal Audit Service completed 65.31% of the audit plan against a target of 75%. This was due to a combination of circumstances during the year that included the retirement of the Principle Auditor, the appointment of an Audit Apprentice, a staff absence and latterly the impact of the Covid 19 pandemic causing a delay in the issue of some systems audits usually concluded during March.

6.5 The section's sickness for the period to 31<sup>st</sup> March 2020 is an average of 7.33 days per person against a departmental target of 6 days per person. This was due to the long term absence of one member of staff following a bereavement.

## 7. Monitoring Arrangements

7.1 The levels of audit coverage and the gradings of individual audits will inform the annual opinion of the Audit & Risk Manager to be presented to the Audit Committee.

### Background Documents /Electronic Links

- Appendix A – Audit Plan Outturn 2019-20
- Appendix B – Performance Indicators 2019-20
- Appendix C – Audit Gradings 2019-20
- Appendix D – Audit Coverage by Department 2019-20