

## **Title of report: Progress report on internal audit activity**

**Meeting: Audit and governance committee**

**Meeting date: Tuesday 10 May 2022**

**Report by: Director of Resources and Assurance / Head of Internal Audit**

### **Classification**

Open

### **Decision type**

Non-key

### **Wards affected**

(All Wards)

### **Purpose**

To update members on the progress of internal audit work and to bring to their attention any key internal control issues arising from work recently completed.

To enable the committee to monitor performance of the internal audit team against the approved plan.

To assure the committee that action is being taken on risk related issues identified by internal audit.

### **Recommendation(s)**

**That:**

- (a) The performance against the approved plan be reviewed and any areas for improvement identified;**
- (b) the assurances and recommendations given in the report are reviewed and appropriate recommendations are provided to the executive on areas for priority implementation;**
- (c) To note the Corporate Fraud Update: and**
- (d) To note the Hereford City Centre Transport Package Special Investigation Summary Report**

### **Alternative options**

1. There are no alternative recommendations; it is a function of the committee to consider these matters in fulfilling its assurance role.

## **Key considerations**

2. The internal audit progress report is attached at appendix A. In the period covered by the report, one priority 1 action and sixteen priority 2 actions have been agreed for audits completed in 2021-22.
3. A glossary of terms is also provided in the report
4. This is monitored by acceptance by management of audit recommendations and progress updates in implementing the agreed action plans. In addition, audit recommendations not accepted by management are reviewed and progress to an appropriate recommendation to cabinet if it is considered that the course of action proposed by management presents a risk in terms of the effectiveness of or compliance with the council's control environment.

## **Community impact**

5. The council's code of corporate governance commits the council to managing risks and performance through robust internal control and strong public financial management and to implementing good practices in transparency, reporting, and audit to deliver effective accountability. By ensuring robust management responses to identified risks, the council will be better able to meet its corporate plan priority to secure better services, quality of life and value for money.

## **Environmental impact**

6. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
7. Whilst this is a decision on back office functions and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the council's Environmental Policy

## **Equality duty**

8. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:  
  
A public authority must, in the exercise of its functions, have due regard to the need to –
  - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
9. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a progress report, we do not believe that it will have an impact on our equality duty.

## **Resource implications**

10. None arising from the recommendations; any additional recommendations made by the committee will be considered by the relevant manager or cabinet member and further financial recommendations will be channelled through the appropriate governance system

## **Legal implications**

11. None

## **Risk management**

12. There is a risk that the level of work required to give an opinion on the council's systems of internal control is not achieved. This is mitigated by the regular active management and monitoring of progress against the agreed internal audit plan.
13. Risks identified by internal audit are mitigated by actions proposed by management in response. Progress on implementation of agreed actions is reported to this committee every six months.

## **Consultees**

None

## **Appendices**

Appendix 1 - SWAP Internal Audit plan progress report 2021-22

Appendix 2 - Hereford City Centre Transport Package Special Investigation Summary Report

Appendix 3 - Investigation Findings – Control Weaknesses and Agreed Management Actions

## **Background papers**

None identified