

**South Lakeland District Council**  
**Audit Committee**  
**Thursday, 22 April 2021**  
**Internal Audit Progress Report 2020/21**

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<b>Portfolio:</b>	Not applicable
<b>Report from:</b>	Finance Lead Specialist (Section 151 Officer)
<b>Report Author:</b>	Peter Harrison – Internal Audit Manager (Regional Managing Director, TIAA Limited)
<b>Wards:</b>	Corporate Issue
<b>Forward Plan:</b>	Not applicable

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**1.0 Expected Outcome**

1.1 This report provides a summary of the progress in delivering the Internal Audit Annual Plan in 2020/21. It provides the Committee with assurance through the individual internal audit reports for work carried out to date.

**2.0 Recommendation**

**2.1 Members of the Audit Committee are asked to note:**

- The progress achieved in 2020/21 in completing the Audit Plan and the outcomes of completed audit reviews set out in **Appendix 1**.
- The attached audit reports at **Appendix 2**.
- Summary progress achieved in implementing recommendations from previous internal audit reviews set out in **Appendix 3**.

**3.0 Background and Proposals**

3.1 All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act. The Accounts and Audit Regulations 2015 require that the Council undertakes an effective Internal Audit to evaluate the effectiveness of its risk management, internal control and governance processes, taking into account the Public Sector Internal Auditing Standards (PSIAS).

3.2 Internal Audit is responsible for providing independent assurance to the Council's senior management and to the Audit Committee on the systems of governance, risk management and internal control.

3.3 It is management's responsibility to establish and maintain internal control systems and to ensure that resources are properly applied, risks appropriately managed and that outcomes are achieved. Management is responsible for the system of internal control and should set in place policies and procedures to ensure that controls are operating effectively.

**4.0 Progress against the 2020/21 Internal Audit Plan**

- 4.1 The Internal Audit Plan was approved by the Committee in September 2020.
- 4.2 The progress report at Appendix 1 provides the Committee with a summary of the position as at April 2021.
- 4.3 The planned audit of the Customer Connect – ‘My Account’ has been deferred until 2021/22 and scheduled to take place in July 2021. At this point, the system will have been in operation for sufficient time to assess its operation and benefits.

## **5.0 Audit reports completed in the period**

- 5.1 Appendix 2 contains the executive summaries of the ten audits completed in the period:
- Payroll;
  - Performance Management;
  - Insurance;
  - Bereavement Services;
  - Creditor Payments;
  - Members Declarations of Interest;
  - Disabled Facilities Grant;
  - NNDR;
  - Council Tax; and
  - Lake Services.

## **6.0 Follow up of internal audit recommendations**

- 6.1 The latest summary position relating to the implementation of outstanding recommendations is set out in Appendix 3.

## **7.0 Alternative Options**

- 7.1 There are no alternative options; the Accounts and Audit Regulations 2015 require that the Council undertakes an effective Internal Audit to evaluate the effectiveness of its risk management, internal control and governance processes, taking into account the Public Sector Internal Auditing Standards (PSIAS).

## **8.0 Links to Council Priorities**

- 8.1 Internal Audit provides independent assurance on the Council’s arrangements for governance, risk management and internal control in support of delivery of the Council’s strategic priorities.

## **9.0 Implications**

### **Financial, Resources and Procurement**

- 9.1 There are no direct financial implications to this report.

### **Human Resources**

- 9.2 There are no direct staffing implications arising from this report.

### **Legal**

- 9.3 There are no legal implications arising from this report.

### **Health, Social, Economic and Environmental**

- 9.4 Have you completed a Health, Social, Economic and Environmental Impact Assessment? No
- 9.5 If you have not completed an Impact Assessment, please explain your reasons: this report relates to a review of corporate governance and is considered to have no Health, Social, Economic and Environmental impacts.

### **Equality and Diversity**

- 9.7 Have you completed an Equality Impact Analysis? No
- 9.8 If you have not completed an Impact Assessment, please explain your reasons: this report relates to a review of corporate governance and is considered to have no Equality and Diversity impacts.

### **Risk**

<b>Risk</b>	<b>Consequence</b>	<b>Controls required</b>
The Council does not comply with legislative requirements as laid out under the Accounts and Audit Regulations 2015.	The Council does not receive adequate assurance over the internal control environment.	Regular progress reporting to senior management and Audit Committee each quarter.

### **Contact Officer**

Peter Harrison, Director, TIAA Limited.

07970 376542

peter.harrison@tiaa.co.uk

### **Appendices Attached to this Report**

<b>Appendix No.</b>	<b>Name of Appendix</b>
1	Internal Audit Progress Report
2	Audit Report – Executive Summaries 2a. Payroll 2b. Performance Management 2c. Insurance 2d. Bereavement Services 2e. Creditor Payments 2f. Members Declarations of Interest 2g. Disabled Facilities Grant 2h. NNDR 2i. Council Tax 2j. Lake Services
3	Summary Follow Up position

### **Background Documents Available**

<b>Name of Background document</b>	<b>Where it is available</b>
Not applicable	Not Applicable

## Tracking Information

<b>Signed off by</b>	<b>Date sent</b>
Legal Services	N/A
Section 151 Officer	07/04/2021
Monitoring Officer	N/A
SMT	N/A

<b>Circulated to</b>	<b>Date sent</b>
Finance Lead Specialist	07/04/2021
Human Resources Manager	N/A
Communications Team	N/A
Leader	N/A
Committee Chairman	N/A
Portfolio Holder	N/A
Ward Councillor(s)	N/A
Committee	22/04/2021
Executive (Cabinet)	N/A
Council	N/A