

South Lakeland District Council
Audit Committee
Wednesday, 8th December 2021
Internal Audit Progress Report 2021/22

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

1.0 Expected Outcome

1.1 This report provides a summary of the progress in delivering the Internal Audit Annual Plan in 2021/22. 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 and 2021/22 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 2021/22 Internal Audit Plan

- 4.1 The Internal Audit Plan was approved by the Committee in April 2021.
- 4.2 The progress report at Appendix 1 provides the Committee with a summary of the position as at September 2021.
- 4.3 At this stage, four 2021/22 internal audit reports have been finalised since the last meeting of this Committee, with one draft report being issued and fieldwork underway on a further review.

5.0 Audit reports completed in the period

5.1 Appendix 2 contains the executive summaries of the four audits completed in the period:

- Information Governance;
- Treasury Management;
- Customer Connect – My Account; and
- ICT Cyber Maturity.

The objective of the ICT Cyber Maturity work was to assess the Cyber Security Maturity (CSM) of South Lakeland District Council as an informative piece of work; we have not provided an assurance rating in relation to this review.

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

Risk	Consequence	Controls required
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@ttaa.co.uk

Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Internal Audit Progress Report
2	Audit Report – Executive Summaries 2a. Information Governance; 2b. Treasury Management; 2c. Customer Connect – My Account; and 2d. ICT Cyber Maturity.
3	Summary Follow Up position

Background Documents Available

Name of Background document	Where it is available
Not applicable	Not Applicable

Tracking Information

Signed off by	Date sent
Legal Services	N/A
Section 151 Officer	24/11/2021
Monitoring Officer	N/A
SMT	N/A

Circulated to	Date sent
Finance Lead Specialist	24/11/2021
Human Resources Manager	N/A
Communications Team	N/A
Leader	N/A
Committee Chairman	N/A

Circulated to	Date sent
Portfolio Holder	N/A
Ward Councillor(s)	N/A
Committee	08/12/2021
Executive (Cabinet)	N/A
Council	N/A