

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY  
AUDIT COMMITTEE**

**DATE: 9 DECEMBER 2021**

**REPORT TITLE: INTERNAL AUDIT UPDATE**

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### **Purpose of Report**

1 To Update the Committee on Internal Audit work in 2021/22.

### **Impact of Covid-19 pandemic**

- Internal Audit have continued to conduct work virtually throughout the pandemic. The systems and processes used to conduct audit reviews have continued to be reviewed and improved to optimise quality of audit work in absence of face-to-face testing. However, the remote working arrangements may continue to cause limitations in the level of assurance provided in each audit review.
- The plan has been reviewed at the 6-month stage in order to take account of any impacts of the pandemic and no changes are proposed to the audit plan at this point in time. We will continue to liaise closely with officers in case any adaptations to the plan or to individual reviews are required, in light of the pandemic.

### **Recommendation**

- The Committee are invited to note the areas under review and progress against the plan as at 15<sup>th</sup> November 2021.

### **Background / Issues for Consideration**

- 2.1 The Committee approved the Annual Audit Plan at its meeting on 22<sup>nd</sup> September 2021 (Appendix 1). The approach involved a mixture of formal audit work along with an assessment of the internal control framework to inform the plan for future years using our Reasonable Assurance Model.
- 2.2 The delay in signing off the plan was due to the cancellation of the July Audit Committee, along with no Audit Committee being held in Quarter 1, due to the elections. Nonetheless, audit work has progressed well, with fieldwork complete on seven reviews, including two additional mandatory grant certification reviews which did not form part of the original audit plan.

- 2.3 The table in section 2.5 summarises the status of work as either complete, work in progress, or scheduled. There are currently no significant areas or issues of concern to raise with the Committee.
- 2.3 We utilise a flexible approach to the Annual Audit Plan to react to resourcing and external impacts. In consultation with the Head of Strategy and Director of Investment & Corporate Services, discussions are underway for moving the audit of Climate Emergency Action Plan to the 2022/23 Annual Audit Plan, to allow the team to complete an update of the Action Plan.
- 2.4 Finally, at the last Audit Committee a request was made to work with External Audit on an investigative piece of work and a verbal update will be given at the meeting.

2.5 **Summary of Audit Work and Status – 2021/22**

Ref	Area Under Review	Status
21-001W	Core Financial Systems – Data Analytics	In Progress
21-002W	Counter Fraud and Corruption	Scheduled for Q4
21-003W	Core Grant Audit Certification – EU Transition Funding	Complete – Satisfactory
21-003W	Core Grant Audit Certification – Growth Hub Core Funding	Complete – Satisfactory
21-003W	Core Grant Audit Certification – Growth Hub Supplementary Funding	Complete – Satisfactory
21-003W	Core Grant Audit Certification – Future Transport Zone	Complete – Satisfactory
21-003W	Core Grant Audit Certification – Peer Networks Grant	Complete - Satisfactory
21-004W	Corporate Governance of the LEP	Complete – Substantial Assurance
21-005W	IT Audit – Cyber Security	In Progress
21-006W	Reasonable Assurance Model – Corporate Governance	In Progress
21-006W	Reasonable Assurance Model – Financial Management	In Progress
21-006W	Reasonable Assurance Model – Risk Management	In Progress
21-006W	Reasonable Assurance Model – Performance Management	In Progress
21-006W	Reasonable Assurance Model – Programme & Project Management	In Progress
21-006W	Reasonable Assurance Model – Procurement & Commissioning	In Progress
21-006W	Reasonable Assurance Model – Information Management	In Progress
21-006W	Reasonable Assurance Model – Asset Management	In Progress
21-008W	Follow-up – Workforce for the Future	In Progress
21-008W	Follow-up – Core Financial Systems – Ledgers / Control Accounts	In Progress
21-008W	Follow-up – Core Financial Systems - VAT	In Progress
21-008W	Follow-up – Core Financial Systems – Accounts Payable / Accounts Receivable	In Progress
21-008W	Follow-up – Whistleblowing	Complete – All implemented

21-009W	Project/Programme Management	In Progress – Draft report
21-010W	Climate Emergency Action Plan	Scheduled for Q4
21-011W	Concessionary Travel	Scheduled for Q4
	Investigation Review	In Progress

### **Consultation**

- 3 Report and work undertaken is consulted with the Director of Investment & Corporate Services

### **Other Options Considered**

- 4 Not applicable

### **Risk Management/Assessment**

- 5 The internal audit plan is drawn up on a risk basis, using the Reasonable Assurance Model.

### **Public Sector Equality Duties**

- 6 Embedded within the audit process is consideration of compliance with statutory guidance and regulations which includes those relating to equality and diversity.

### **Finance Implications, including economic impact assessment where appropriate:**

- 7 Three unplanned reviews have been added to the plan, which will be charged at the day rate included within the Internal Audit service contract.

### **Legal Implications:**

- 8 No direct implications

### **Climate Change Implications**

- 9 Climate Change has been considered as a key point during the Reasonable Assurance Model was subsequently included in the 2021-22 Annual Internal Audit Plan. As outlined in section 2.3, this review is under discussion for moving to the 2022/23 plan to enable the Strategy Team to complete the updating of the plan with more ambitious targets.

### **Land/property Implications**

- 10 No direct implications.

**Human Resources Implications:**

11 No direct implications.

**Appendices:**

Appendix 1 – Internal Audit Plan 2021/22

**Background papers:**

None

**West of England Combined Authority Contact:**

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Ian Hird / Tim Milgate on 0117 332 1486; or by writing to West of England Combined Authority, 3 Rivergate, Temple Quay, Bristol BS1 6EW; email: [democratic.services@westofengland-ca.gov.uk](mailto:democratic.services@westofengland-ca.gov.uk)