

## **NORTH LINCOLNSHIRE COUNCIL**

### **AUDIT COMMITTEE**

#### **INTERIM INTERNAL AUDIT REPORT 2021/22**

#### **1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 The interim internal audit report provides an update on Internal Audit activity up to 30 November 2021.
- 1.2 Although it is forecasted that sufficient work will be carried out by 31 May 2021 to provide a reliable annual audit opinion on the Council's control environment, there are some risks to its delivery that need to continue to be managed.

#### **2. BACKGROUND INFORMATION**

- 2.1 It is a requirement of the PSIAS for the Audit Committee to receive regular updates on the activities of Internal Audit, in particular:
  - providing assurance that sufficient work will be carried to provide a reliable risk based annual opinion on the effectiveness of the control environment and any amendments to the audit plan;
  - bringing to the Committee's attention any issues identified during the course of the 2021/22 audit which could impact on the annual opinion; and
  - providing assurance of Internal Audit's compliance with Public Sector Internal Audit Standards (PSIAS).
- 2.2 On 8 April 2021, the Audit and Governance Committee formally approved a plan consisting of 1145 days. As communicated to the Committee there would potentially be ongoing amendment and re-prioritisation to the plan to reflect changes in risk. The attached report at Appendix 1 prepared by the Head of Audit and Assurance provides an update on the delivery of the audit plan up to 30 November 2021. Although it forecasts that sufficient work should be carried out by May 2022 to provide a reliable opinion on the Council's control environment during the year the plan has been subject to significant change, there is risk to the delivery of the plan which will need to be managed.

2.3 A list of final reports issued up to 23 December 2021 is shown within the report. There are currently two limited assurance report, but these should not impact on the overall annual audit opinion.

### **3. OPTIONS FOR CONSIDERATION**

3.1 In its role as the body charged with governance the Audit Committee is asked to consider the progress against the delivery of the audit plan.

### **4. ANALYSIS OF OPTIONS**

4.1 It is a requirement of the PSIAS for the Audit Committee to receive updates on progress against the delivery of the audit plan.

### **5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)**

5.1 There are no specific resource implications relating to this report.

### **6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)**

6.1 The delivery of the audit plan contributes to the Council's approach to risk management by identifying and testing the design and operation of controls to mitigate risk. In addition, most audit assignments provide an opinion on the prevailing residual risk.

### **7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

7.1 An Integrated Impact Assessment is not required.

### **8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

8.1 Not applicable.

### **9. RECOMMENDATIONS**

9.1 That the Audit Committee is asked to consider the Interim Internal Audit Report 2021/22 as part of its responsibilities for reviewing the effectiveness of Internal Audit,.

DIRECTOR: GOVERNANCE AND COMMUNITIES

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Date: 13 January 2022

**Background Papers used in the preparation of this report**

Internal Audit Plan 2020/21 (April 2021)