

Committee(s)	Dated:
Audit and Risk Management Committee	25/05/2021
Subject: Internal Audit Progress Report	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Head of Audit and Risk Management	For Information
Report author: Matt Lock	

Summary

This report provides an update on Internal Audit activity since the last Internal Audit Update Report presented to this Committee in March 2021. The report summarises work completed since the previous update and summarises overall progress against the 2020/21 Internal Audit Plan. Despite the impact of the COVID-19 Pandemic, 88% of planned Internal Audit work for 2020/21 was completed to at least draft report stage.

During the final weeks of the year, resources were focussed on completion of full audit reviews rather than follow-up reviews, as such there is nothing further to report at this time on the status of implementation of Audit recommendations.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

Background

1. This report provides a cumulative update on the work of Internal Audit since 1 April 2020, building on the progress report made to the last update provided to the Audit and Risk Management Committee on 23 March 2021. The report also summarises the findings of work completed since the March update.

Current Position

2. 13 Final Audit Reports have been issued since the January update, bringing the total to 53 since 1 April 2020. 6 Green Assurance ratings were given, 6 Amber

Assurance ratings and 1 Red Assurance Rating. Those audit reviews are summarised in the table below:

Department/Audit	Assurance Rating	Recommendations Made		
		Red	Amber	Green
Built Environment - Gigabit City	Green	0	2	4
Chamberlain's - Accounts Receivable and Debt Management	Green	0	1	2
Chamberlain's - Supplier Resilience	Green	0	1	0
Chamberlain's IT - Business Continuity and Disaster Recovery	Amber	0	4	0
City of London Police - Transform Phase 2	Amber	0	12	0
City Surveyor's - Rents, Lettings and Vacancies	Amber	0	2	2
City Surveyor's - Operational Property Management	Amber	6	3	0
Community and Children's Services - Adult Skills and Education Service Safeguarding	Red	3	9	1
Community and Children's Services - Lone Working	Amber	0	5	2
Community and Children's Services - Rough Sleepers	Green	0	0	1
Corporate Wide - Recruitment Moratorium	Green	0	0	3
Guildhall School of Music and Drama - Medium Term Financial Planning	Green	0	1	0
Guildhall School of Music and Drama - Guildhall Young Artists	Amber	0	8	2

3. Appropriate management action plans are in place to address recommendations made. Briefings on the above have been circulated to Members of the Committee.

Community and Children's Services - Adult Skills and Education Service Safeguarding:

4. This Audit reviewed the arrangements in place in respect of:
- Identification and communication of safeguarding requirements.
 - Implementation and maintenance of policies and procedures.
 - Monitoring safeguarding compliance and completion of corrective action (including mechanisms for obtaining assurance that third parties/partner organisations are meeting their responsibilities)
 - Ensuring clear accountability, escalation and reporting to facilitate effective oversight of safeguarding activities to measure that activities are having the intended impact

5. The key findings of the Audit were:

- There is a strong focus within the ASES team on building relationships with learners so as to promote a culture of openness, where individuals feel comfortable making approaches for information or raising concerns with staff
- Accountabilities for corporate Safeguarding and local ASES arrangements are clear
- A potential single point of failure for safeguarding arrangements exists within ASES
- Controls can be improved to ensure the prompt identification and communication of safeguarding requirements to relevant parties
- Copies of contractual agreements supplied for a sample of learning providers did not adequately reflect the responsibilities of each party for safeguarding or the arrangements to mitigate the risk where there is conflict between safeguarding policies
- Limited evidence was supplied to Internal Audit of activities to obtain assurance that third party responsibilities are being met
- There are clear accountability and reporting processes in respect of safeguarding concerns, although recommendation was made to enhance arrangements by clarifying the process for escalation where concerns are not being addressed adequately
- There is scope to strengthen risk management arrangements by ensuring that safeguarding risk assessments are documented fully and on a timely basis
- Internal Audit was advised that there have been no safeguarding incidents within 2020/21 and as such no testing of the practical handling of such incidents could be carried out

6. The overall Red assurance rating reflects the significant impact should a safeguarding failure occur, the Director of Community and Children's accepted all recommendations made and has provided an appropriate action plan. Progress has already been made in relation to; the review and booking of safeguarding training for key staff/board members, cover arrangements for the Designated Safeguarding Lead, expansion of the board and the process/timeline for updating the local safeguarding policy in-line with the Corporate policy. A follow-up review will be undertaken in August 2021.

Delivery of Planned Internal Audit Work

7. In addition to the finalised audits referred to above, 2 draft reports were issued, work was partially complete for the remaining 7 planned Audit Reviews, fieldwork was at various stages of completion. This outstanding work has been subsumed within the audit plan for 2021/22 and will be reported on within subsequent updates to this Committee. Overall Audit Plan delivery is summarised in the table below:

2020/21 Audit Plan

		Audit Review Status	Count	Percentage of Count	Audit Days
Work in Progress		Final Report	53	82%	409
		Draft Report	5	8%	81
		Fieldwork Complete	0	0%	0
		Fieldwork in Progress	7	10%	84
		Terms of Reference Issued	0	0%	0
		Planning	0	0%	0
		Not started	0	0%	0
		Total	65	100%	574
Notes: reflects amendments to plan					

Internal Audit Follow-up Activity

8. During the final weeks of the year, resources were focussed on completion of full audit reviews rather than follow-up reviews, as such there is nothing further to report at this time on the status of implementation of Audit recommendations. The programme of follow-up work recommenced in April.

Corporate & Strategic Implications

9. The Internal Audit Plan is designed to provide assurance as to the adequacy of the City of London Corporation's systems of internal control and governance. This programme of activity is aligned with the Corporate Plan, Corporate Risk Register and Departmental Top Risks.

Conclusion

10. After initial delays to the delivery of work against the 2020/21 Internal Audit Plan as a result of the COVID-19 pandemic, Internal Audit work progressed at pace. The final outturn position is completion of 88% of all planned work to at least draft report stage. This work is sufficient to inform the Head of Audit and Risk Management Annual Opinion, the subject of a separate report to this meeting of the Audit and Risk Management Committee.

Appendices

- None

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