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|---|------------------------|
| Committee(s) | Dated: |
| Audit and Risk Management Committee | 10/07/2023 |
| Subject: Internal Audit Update | 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: Chamberlain | For Information |
| Report author: Matt Lock | |

Summary

This report provides an update on Internal Audit activity since 1 April 2023. 5 substantive Internal Audit reviews have been completed and work is in progress at various stages for a number of Audit reviews.

A recruitment campaign is currently live, with 2 senior positions in the team advertised. Successful appointment to these positions will see the Internal Audit team at full capacity within the current structure.

Recommendation(s)

Members are asked to:

- Note the outcomes of completed Internal Audit work

Main Report

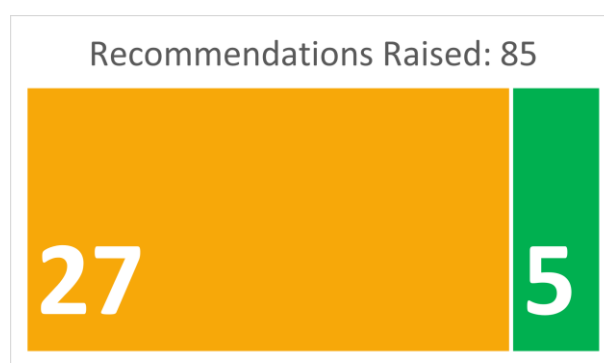
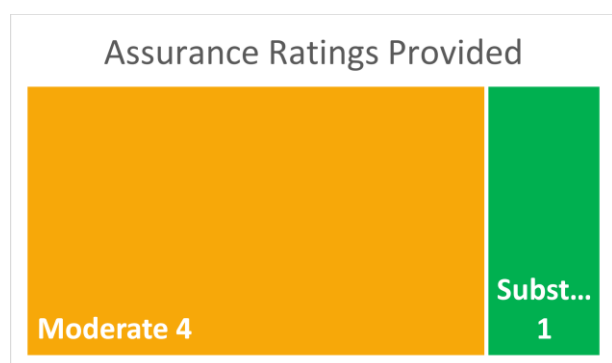
Background

1. This report provides an update on the work of Internal Audit since 1 April 2023, specifically, an overview of the outcomes from completed Internal Audit reviews, completion of the External Quality Assessment and Internal Audit recruitment.

Current Position

2. Final Audit Reports have been issued in respect of 5 Audit Reviews so far in 2023/24, 1 Substantial and 4 Moderate Assurance opinions were provided. The overall outcomes from the recently completed Audit reviews are summarised in the following table:

| Audit Assignment | Assurance Rating | Recommendations Made | | |
|---|------------------|----------------------|-------|-------|
| | | Red | Amber | Green |
| Corporate Wide – Purchase Order Compliance | Moderate | 0 | 2 | 0 |
| Guildhall School – Safeguarding | Substantial | 0 | 3 | 2 |
| Guildhall School – Universities UK Code of Practice for the Management of Student Housing | Moderate | 0 | 5 | 0 |
| City of London Freeman’s School - Key Financial Controls | Moderate | 0 | 11 | 3 |
| Corporate Wide – Data Protection 2 nd Line of Defence | Moderate | 0 | 6 | 0 |



External Quality Assessment

- As referenced at the May Committee meeting, completion of the External Quality Assessment was a priority for early 2023/24. There are two elements to this process; a self-assessment against the Public Sector Internal Audit Standards and, an independent validation of this. The independent validation has been completed in May and June, concluding the EQA. The assessor’s report is included as a separate item on the agenda for this meeting.

Internal Audit Recruitment

- At the time of writing this report a recruitment campaign is in progress to appoint a Principal Auditor and a Senior Auditor, a verbal update will be provided in relation to the response to this campaign and the strength of the shortlisted pool of candidates. Interviews are scheduled for later in July.

Corporate & Strategic Implications

- The work of Internal Audit 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

6. Given the current capacity of the Internal Audit team, delivery of planned Audit work is good. While Internal Audit work identifies areas for improvement within the systems and processes examined, the findings of Audit work have been well received by Management and appropriate actions have been identified to resolve the control weaknesses raised.

Matt Lock

Head of Audit and Risk Management, Chamberlain's Department

E: matt.lock@cityoflondon.gov.uk

T: 020 7332 1276