

**Committee Name and Date of Committee Meeting**

Audit Committee – 28 June 2022

**Report Title**

Internal Audit Annual Report 2021-22.

**Is this a Key Decision and has it been included on the Forward Plan?**

No

**Strategic Director Approving Submission of the Report**

Judith Badger, Strategic Director of Finance and Customer Services

**Report Author(s)**

David Webster, Head of Internal Audit  
01709 823282 or david.webster@rotherham.gov.uk

**Ward(s) Affected**

Borough-Wide

**Report Summary**

This report provides information on the role of Internal Audit; the work completed during 2021-22 and highlights the key issues that have arisen from it. It provides the overall opinion of the Head of Internal Audit on the adequacy of the Council's control environment, risk management and governance. It also provides information regarding the performance of the Internal Audit function during 2021-22.

Based upon internal audit work undertaken and taking into account other internal and external assurance processes it has been possible to complete an assessment of the Council's overall control environment. In the opinion of the Head of Internal Audit, Rotherham Metropolitan Borough Council had overall an adequate and effective framework of governance, risk management and control during 2021-22.

**Recommendations**

The Audit Committee is asked to:

1. Note the Internal Audit work undertaken during the financial year 2021-22 and the key issues that have arisen from it.
2. Note the overall opinion of the Head of Internal Audit on the adequacy and effectiveness of the framework of governance, risk management and control within the Council.

**List of Appendices Included**

Appendix 1 Internal Audit Annual Report 2021-22.

**Background Papers**

UK Public Sector Internal Audit Standards.  
Local Government Application Note.

Accounts and Audit (England) Regulations 2015.

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**  
No.

**Council Approval Required**  
No

**Exempt from the Press and Public**  
No

## **Internal Audit Annual Report 2021-22.**

### **1. Background**

- 1.1 Internal Audit produced a risk based Annual Audit Plan in accordance with the UK Public Sector Internal Audit Standards (PSIAS). This was received by the Audit Committee at its meeting in March 2021. The Plan was regularly reviewed and monitored during the year so that it provided sufficient coverage of the key risks facing the Council.
- 1.2 During the year the Audit Committee received periodic updates on the work of Internal Audit and a summary of the key issues that arose. This annual report is a final summary of Internal Audit activity.
- 1.3 The report is attached at **Appendix 1** and includes the following information:
  - Legislative requirements and Professional Standards
  - The Head of Internal Audit's annual opinion on the control framework, risk management and governance
  - Resources and audit coverage during the year
  - Summary of audit work undertaken during 2021-22, including both planned and responsive / investigatory work
  - Summary of other evidence taken into account for control environment opinion
  - Summary of audit opinions and recommendations made
  - Internal Audit performance indicators

### **2. Key Issues**

- 2.1 The Head of Internal Audit's opinion is that there was overall an adequate and effective framework of governance, risk management and control during the majority of the year.
- 2.2 The emergency measures implemented in response to Covid-19 continued during the year. Standards of governance and control were maintained with risk management being utilised to help manage the response.
- 2.3 We did not issue any No Assurance audit opinions during the year. We gave an opinion of Partial Assurance in four areas subject to audit. None of these were considered serious enough for inclusion in the Annual Governance Statement.
- 2.4 We can confirm that action plans have been agreed with management in respect of all final audit reports issued.
- 2.5 Some time was spent at the start of the year supporting the Finance department in processing applications for Business Support Grants, but this only totalled 23 days. The unused days were used for investigations, grants and audit work. Overall, resource levels provided sufficient capacity to provide an adequate level of assurance, and sufficient work was completed to enable the Head of Internal Audit to provide his overall opinion.
- 2.6 Public Sector Internal Audit Standards (PSIAS) require that an internal assessment of the Internal Audit function must be undertaken annually, with an

external assessment at least every five years. In 2020-21 an external assessment was completed which showed general conformance with the standards. The internal assessment during 2021-22 showed this had been maintained.

- 2.7 A Quality Assurance and Improvement Programme (QAIP) was put into place during 2021 using the results of the external assessment. The results were reported to the Audit Committee in March 2022. Nine of the eleven actions from the external assessment had been implemented, along with three of the four actions from the previous year. An updated QAIP based on the external assessment has been produced to maintain and increase the level of conformance within the team.

### **3. Options considered and recommended proposal**

- 3.1 This report is presented to enable the Audit Committee to fulfil its responsibility for overseeing the work of Internal Audit. It provides an annual summary of Internal Audit work completed and the key issues arising from it and the overall opinion of the Head of Internal Audit on the adequacy of the Council's control environment. It also provides information about the performance of the Internal Audit function during the year.

### **4. Consultation on Proposal**

- 4.1 All Internal Audit reports referred to in this report have been discussed and agreed with the appropriate Service Manager and Assistant Director, and have also been issued formally to the relevant Strategic Director. Where an opinion of partial or no assurance has been given, the report was also sent to the Chief Executive.

### **5. Timetable and Accountability for Implementing this Decision**

- 5.1 The Audit Committee is asked to receive this report at its 28<sup>th</sup> June 2022 meeting.

### **6. Financial and Procurement Advice and Implications**

- 6.1 There are no direct financial or procurement implications arising from this report. The budget for the Internal Audit function is contained within the budget for the Finance and Customer Services Directorate.

### **7. Legal Advice and Implications**

- 7.1 The provision of Internal Audit is a statutory requirement for all local authorities that is set out in the Accounts and Audit (England) Regulations 2015. These state: *"each principal authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance."*
- 7.2 Internal Audit also has a role in helping the Council to fulfil its responsibilities under s.151 of the Local Government Act 1972, which are: *"each local authority shall make arrangements for the proper administration of their financial affairs"*

*and shall secure that one of their officers has responsibility for the administration of those affairs.”*

## **8. Human Resources Advice and Implications**

8.1 There are no direct Human Resources implications arising from this report.

## **9. Implications for Children and Young People and Vulnerable Adults**

9.1 This document constitutes a report of progress against delivery of the Internal Audit Plan 2021-22. A significant proportion of the Plan was devoted to the examination of risks facing Children and Young People’s Services and Adult Social Care.

## **10. Equalities and Human Rights Advice and Implications**

10.1 There are no direct Equalities and Human Rights Implications arising from this report.

## **11. Implications for Partners**

11.1 Internal Audit is an integral part of the Council’s Governance Framework, which is wholly related to the achievement of the Council’s objectives, including those set out in the Corporate Improvement Plan and Children’s Services Improvement Plan.

## 12. Risks and Mitigation

12.1 The following risks have been identified:

Risk	Impact	Likelihood	Mitigation
Not having/failing to deliver a risk-based Plan. Audit Plan does not reflect current risks/threats to Council. Unforeseen demands upon audit resources, e.g. increase in frauds/investigations and/or requests from management (responsive work). Insufficient resources to complete work to support the annual opinion.	3	2	Risk-based approach to audit planning, including consultation with management. Robust task/time management process. Audit Plan kept under review to ensure it reflects key risks across Council. Half-yearly meetings with all Directorate Leadership Teams to ensure plan is up to date. Progress reports provided to Audit Committee.
Management introduce new systems / processes with inadequate controls.	2	3	Contact with DLT's over current developments. Request information on the changes in order to consider them for review. Review of projects in Customer and Digital Programme.
Audit testing may not reflect current risks. Major systems changes occur without IA awareness, increasing risk. Scope of our work does not take account of this. Unforeseen demands upon audit resources, e.g. increase in frauds/investigations and/or requests from management (responsive work).	3	3	Risk-based approach to audit planning. Liaison with directorates over audit plan. Robust task/time management process. Progress reports to Audit Cttee.

## 13. Accountable Officer(s)

David Webster, Head of Internal Audit

Report Author: David Webster, Head of Internal Audit  
David Webster, Head of Internal Audit

01709 823282 or david.webster@rotherham.gov.uk

This report is published on the Council's [website](#).



# **Rotherham Metropolitan Borough Council**

## **Internal Audit Annual Report 2021-22**

# 1 Introduction

## 1.1 Objectives of the Report.

The objectives of this report are:

- To provide a summary of the Internal Audit work undertaken during the financial year 2021-22 and the key issues that have arisen from it.
- To present the opinion of the Head of Internal Audit on the adequacy and effectiveness of the Council's control environment, risk management and governance arrangements, which supports the Council's Annual Governance Statement (AGS).
- To provide information regarding the performance of the Internal Audit function during the 2021-22 year.

This report is presented to the Audit Committee to enable the Committee to fulfil its responsibility for overseeing the work of Internal Audit.

## 1.2 Legislation Surrounding Internal Audit.

The provision of Internal Audit is a statutory requirement for all local authorities that for the period under consideration is set out in the Accounts and Audit (England) Regulations 2015. These state:

*“each principal authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”*

Internal Audit also has an important role in helping the Council to fulfil its responsibilities under s.151 of the Local Government Act 1972, which are that:

*“each local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”.*

## 1.3 Professional Standards

The professional responsibilities for Internal Auditors are set out in the International Standards for the Professional Practice of Internal Auditing, published by the Chartered Institute of Internal Auditors (CIIA) in the UK and Ireland. Public Sector Internal Audit Standards (PSIAS) are based on the international standards.

The Standards require the Head of Internal Audit to develop a Quality Assurance and Improvement Programme (QAIP), designed to enable an evaluation of Internal Audit's conformance with the Standards. The QAIP must include both internal and external assessments. External assessments must be completed at least every five years. Internal assessments must include:

- Ongoing monitoring of the performance of the Internal Audit activity; and
- Periodic self-assessments



An external assessment was completed in November 2020 with the results reported to the Audit Committee in January 2021. The Internal Audit Service was assessed as generally conforming to the Standards. The assessment resulted in the development of a QAIP for 2021. An internal assessment was completed in January 2022, which showed that General Conformance with the standards had been maintained. Nine of the eleven actions from the external assessment had been implemented, along with three of the four actions from the previous year. The QAIP was then updated for 2022.

The CIIA define General Conformance as follows.

**Generally Conforms** means the evaluator has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual Standard or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformance to a majority of the individual Standards or elements of the Code of Ethics, and at least partial conformance to the others, within the section/category. There may be significant opportunities for improvement, but these must not represent situations where the activity has not implemented the Standards or the Code of Ethics, has not applied them effectively, or has not achieved their stated objectives. As indicated above, general conformance does not require complete/perfect conformance, the ideal situation, successful practice, etc.

Ongoing monitoring of performance is in place. The quality of audit work is ensured by the use of an audit manual, ongoing supervision and management of staff and the review of all audit work. Performance targets are set and actual performance reported to each Audit Committee meeting.

#### **1.4 The Definition and Role of Internal Audit**

The definition of Internal Auditing in PSIAS is as follows:

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The role and responsibilities of the Rotherham MBC Internal Audit Service are outlined in the Internal Audit Charter which was revised during the year and approved by the Audit Committee. It also specifies the department's independence, authority, scope of work and reporting arrangements. All audit work is carried out in accordance with the contents of the Charter.

The role of Internal Audit is to provide an independent and objective opinion to the organisation on the overall adequacy and effectiveness of the framework of internal control, risk management and governance. Internal Audit is therefore a key part of the RMBC assurance cycle and one of the sources of assurance available to the Council and Audit Committee, which assists the Council to prepare the Annual Governance Statement.

## **1.5 Assurance**

In giving the opinion on the framework of internal control, risk management and governance, it should be noted that assurance can never be absolute. The matters raised in this report are only those which came to our attention during our Internal Audit work and are not necessarily a comprehensive statement of all weaknesses that exist, or of all the improvements that may be required.

## **1.6 Independence**

At the start of the year the team supported the Finance department in processing applications for Business Support Grants as a result of Covid-19. Whilst working operationally is contrary to the Charter, the work is in one small area of the Authority and does not affect the overall independence of the department.

During 2021-22 the Head of Internal Audit carried out some wider organisational duties that might be considered to conflict with the purely independent role of Internal Audit. These relate to the preparation of the Annual Governance Statement and his role as one of the Whistleblowing Officers. Any conflicts are handled by independent scoping and reporting of these areas.

There have been no limitations made on the scope of Internal Audit coverage within the year.

# **2 Internal Audit Assurance for 2021-22**

## **2.1 Internal Audit Opinion**

For the year ending 31 March 2022, based on the work we have undertaken, my opinion is that Rotherham Metropolitan Borough Council had overall an adequate and effective framework of governance, risk management and control.

## **2.2 Scope of the opinion**

In arriving at that opinion, I have taken into account

- The results of all internal audits undertaken during the year (see Appendix A for a summary of audits)
- The results of follow up action taken in respect of audits from previous years
- The appropriateness of the proposed action by management to address control weaknesses and consequent risks
- Matters arising from previous reports or other assurance providers to the Audit Committee and/or the Council
- No limitations having been placed on the scope of internal audit

- No resource constraints having been imposed on us which may have impacted on our ability to meet the full audit needs of the Council; and
- Where weaknesses have been identified, the action plans in place to address those weaknesses.

## 2.3 The basis of the opinion

In reaching this opinion the following factors were taken into particular consideration:-

### **Governance**

The council's governance framework comprises a range of policies, procedures and processes. At the highest level this includes the Council Plan and the Year Ahead Plan. They are supported by a range of policies and strategies to ensure that governance is applied throughout the Council. During the year there were reviews of Schemes of Delegation, the Annual Governance Statement and Members Allowances. In addition, many of the other audits undertaken touched on the implementation of the policies and strategies.

A Corporate Governance Group operated during the year, comprising the Corporate Improvement and Risk Manager and the Head of Internal Audit. The group produced the annual review of the RMBC Code of Corporate Governance based on the seven principals from the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) guidance on 'delivering good governance', published in 2016. This was updated and presented to the Audit Committee in November 2021.

The group has the following roles:

- Have oversight of the Code of Corporate Governance, including its implementation, review and revision on at least an annual basis
- Coordinate the production of the Annual Governance Statement and the assurances needed to underpin it
- Review the progress being made to address the issues reported in the previous year's Annual Governance Statement
- Ensure that recommendations from external bodies are appropriately followed up and reported to the Audit Committee
- Be responsible for responding to any ad hoc governance issues as required.

The group has prepared and drafted the Annual Governance Statement. To do so the group issued corporate governance self-assessment questionnaires to Assistant Directors and asked for Statements of Assurance from Strategic Directors and Statutory Officers. This process provided an opportunity for senior officers to consider the effectiveness of governance arrangements. The Statement explains how Rotherham MBC complies with its own Code of Corporate Governance, in line with the seven principles from CIPFA/SOLACE.

During 2021-22 the Council continued to operate under Covid restrictions whilst at the same time responding to the evolving situation. There was no disruption to decision-making by Members. Standards of governance were maintained throughout the year.

## Risk Management

Risk management has been maintained throughout the year. There is a hierarchy of risk registers dealing with strategic and operational risks at SLT, DLT and service level. These are regularly reviewed, discussed and amended to ensure they remain up to date. Risks are escalated to strategic level as necessary. The Audit Committee reviewed the strategic risk register in July 2021 and January 2022, and Directorate risk registers on a rolling basis throughout the year. A review of Risk Management was undertaken during the year.

## Internal Control

Our opinion on the Council's control environment is based on our assessment of whether the controls in place in the services and functions subject to audit support the achievement of the Council's objectives, as set out in the 2021-22 Annual Audit Plan and the individual audit reports issued.

Audits were carried out in all areas of the Council during the year. The overall level of control found in audits was good. No area stood out as being worse than the others. 85% of audits where an assurance level was given resulted in a Substantial or Reasonable Assurance opinion, including 43% with Substantial Assurance, and no audits resulted in a No Assurance opinion. During 2021-22, 124 recommendations were made to improve the internal control, risk management and governance arrangements across the Council. Of these, 3 were in the highest category (red). There were four Partial Assurance audit opinions in the year:

- |                              |     |
|------------------------------|-----|
| • Leavers                    | ACX |
| • Hardware Asset Management  | FCS |
| • Hellaby Depot              | R&E |
| • Property Estate Management | R&E |

None of these was considered serious enough to be included in the Annual Governance Statement.

A comparison with the previous year shows assurance levels were at similar levels. In 2020-21, 85% of audits resulted in a Substantial or Reasonable opinion, including 36% with Substantial Assurance. During 2020-21, 157 recommendations were made. Of these, 5 were in the highest category (red). There were six Partial Assurance audit opinions in the year.

Summary results are given in **Appendix A** together with definitions of the assurance levels and recommendation categories.

### 2.4 Other evidence taken into account for the annual audit opinion.

In forming our opinion, we also take into account the findings from external reviews of the Council's activities. The Corporate Improvement and Risk Officer presents a six-monthly report that details recent and current external audits and inspections, including the details of arrangements that are in place regarding the accountability and governance for implementing recommendations arising from these. Reports were submitted to Audit Committee in July 2021 and January 2022.

Two reports by the Local Government and Social Care Ombudsman were reported to the Audit Committee in April 2022 including one which was a Public Interest Report. In both cases comprehensive measures have been put in place to ensure any similar issues will be dealt with correctly in the future.

### **3. Review of the Service**

#### **3.1 Resources**

Throughout the year the audit team has been almost fully staffed, with an actual staffing of 7.67 fte against an establishment of 8 fte. The difference arises because one member of the team works four days a week and another only works during term time. This level of staffing was accounted for in the Internal Audit Plan agreed in March 2021.

At the start of the year audit staff assisted Finance in the processing and checking of Business Support Grants for local businesses. In addition, overall productivity was affected by the council's default position of working from home, impacting on both auditors and auditees.

Nevertheless, it is the opinion of the Head of Internal Audit that resource levels throughout the year provided sufficient capacity to provide an adequate level of assurance to the Audit Committee and the Strategic Director of Finance and Customer Services. As a result of careful management of our resources and significant effort by a very small team, sufficient work was completed during 2021-22 to enable the Head of Internal Audit to provide his overall opinion.

#### **3.2 Audit Plan**

The audit plan was originally prepared in early 2021 and presented to the Audit Committee in March 2021. The plan was designed to maintain a balanced programme of work that would inform Internal Audit's annual opinion on the overall adequacy of the Council's control environment.

A half-year review of the plan was undertaken but did not result in any significant changes. The plan was reviewed throughout the year to allow for the changing situation.

At the end of the financial year there is always a small proportion of the plan that remains to be completed. The remaining work was therefore considered and decisions taken on each outstanding project to either complete it, move it to the 2022-23 plan or cancel it.

#### **3.3 Level of Audit Coverage during the year**

The number of audit days spent in each area compared to the original and revised plan is given in the table below.

<b>Audit Area</b>	<b>Original Plan Days</b>	<b>Revised Plan Days</b>	<b>Actual Days</b>
Corporate			24
Assistant Chief Executive	95	95	126
Adult Care and Housing	130	120	128
Children and Young People Services	115	125	83
Finance and Customer Services	205	205	194
Regeneration and Environment	90	90	120
Investigations	100	100	128
Contingency	90	90	
Anti-Fraud	30	30	23
Grants	50	50	60
Follow Up reviews	20	20	20
Covid – grant work	75	75	23
<b>Total</b>	<b>1000</b>	<b>1000</b>	<b>929</b>

The plan is produced after taking into account estimated unproductive time. There was a higher than expected take up of annual leave during the year and more time than anticipated was spent on staff meetings. Both of these were as a consequence of the changing working practices due to Covid-19 and working from home.

The plan is always flexible and subject to change during the year. The number of days planned for audits at the start of the year is reviewed when the audit is scoped in detail and is also subject to change depending on the findings.

The original plan showed 48 audits to be completed in 1000 days. There is always a time lag in terms of the dates of audits, with the audit plan for any year not being completed at the end of March but in April/May. Additions and deferrals also make comparison of actual work completed against the plan more difficult, and some investigation work results in reports with recommendations to correct weaknesses. However, within 2021-22 38 final reports were issued, plus 4 investigation reports. In addition, at year end there were another 6 audit reviews that had been completed, with the reports in draft form. 12 reports were finalised in April and May, after the year end. In overall terms, this shows that the plan was substantially achieved.

### **3.4 Summary of Findings from Audit Reviews.**

Internal Audit provides an opinion on the control environment for all systems, services or functions which are subject to audit review. These are taken into account when forming our overall annual opinion on the Council's control environment. All final audit reports are issued to the appropriate Strategic Director, Assistant Director and Service Manager. In addition, where an opinion of partial or no assurance is given, the final report is also sent for information to the Chief

Executive. A summary of the results of reports issued during 2021-22 is given in **Appendix A**.

### **3.5 Reporting of Audit Findings.**

After reports are finalised Internal Audit subsequently seeks assurance that agreed actions emanating from audit work have actually been implemented. As a minimum this involves the manager responsible updating automated audit software with an assurance that agreed actions have been implemented or, where they have not, appropriate progress is being made. Where an audit results in a Partial or No Assurance opinion a follow up review is undertaken.

SLT receive a summary report based on the Progress Reports presented to the Audit Committee, showing progress against the plan, reports issued and outstanding recommendations.

### **3.6 Implementation of Audit Recommendations**

All actions arising from audit recommendations are tracked automatically. A report on aged outstanding actions is presented to the Audit Committee at each meeting. In the previous year these actions had proved difficult to clear, but by the start of the year had reduced to 8. During 2021-22 all the aged outstanding actions were cleared. There will always be valid reasons for some implementation dates not being achieved, so some delays will occur in the future, but they will be strictly monitored to ensure they are kept to a reasonable level.

### **3.7 Investigations**

There were five fraud investigations completed during the year, however they did not result in any reported major frauds. That can partly be attributed to the strong internal controls and sound governance procedures in place. Internal Audit also reviews the issues arising from the irregularities investigated, and where appropriate carries out wider testing to obtain either assurance or ascertain areas where improvements are needed. There is an Anti-Fraud and Corruption Strategy and Policy in place which include various policies and standards to manage fraud and corruption. During the year 137 days were spent on investigations. There was no pattern to the subjects of the investigations, and none were significant in terms of the governance of the Council.

### **3.8 Anti-Fraud work**

The Head of Internal Audit is one of the three Whistleblowing Officers who manage the response to any whistleblowing allegations.

The department completed the following:

- The Anti-Fraud and Corruption Policy and Strategy were updated and presented to the Audit Committee in September 2021. They were subsequently entered onto the Intranet.
- Continued to work on the National Fraud Initiative to identify errors and fraud.

### **3.9 Advisory work**

A further 35 days were spent on Advisory work. This includes work that does not result in an audit report but adds value to the Council by contributing to working groups or providing advice.

### **3.10 Grants**

During the year the department spent 60 days completing reviews in accordance with the grant funding body requirements for the following grants.

- Troubled Families
- Local Transport Capital Block Funding
- Disabled Facilities
- A6178 Challenge fund
- Pothole and Challenge fund
- Bus Service Operators
- Green Homes
- Restart grant
- Rotherham Music grant
- Culture Recovery grant
- Protect and Vaccinate grant
- Social Housing Decarbonisation fund

All were found to be accurately compiled and in accordance with the grant criteria.

### **3.11 Schools**

During the year, maintained schools completed a Control and Risk Self-Assessment exercise, managed by Internal Audit, with the results reported to CYPS management and the schools. Because of measures put in place in response to Covid, no further audit work was completed in schools during the year.

### **3.12 ICT Audits**

During the year we engaged the services of another local authority's ICT Internal Audit Team who have over thirty other public sector clients. Based on a detailed risk assessment of our ICT risks they completed two audits during the year.

### **3.13 South and West Yorkshire Audit Group**

The Council's Internal Audit Service is a member of the South and West Yorkshire Internal Audit Groups. This facilitates comparisons and the sharing of best practice and includes groups for Heads of Internal Audit, Investigations, Contracts and Procurement, Children's Services, Adults Services, Computer specialists and Communities and Environment services.

### **3.14 External work**

During the period Internal Audit provided audit services on a fee earning basis to a



Multi Academy Trust. Since academies are separate legal entities to the Council, this work does not have any impact on our overall opinion of the Council’s control environment. The findings, recommendations and conclusions arising from these engagements are therefore not reported to the RMBC Audit Committee.

### 3.15 Internal Audit Performance Indicators

Our performance against a number of key indicators is summarised below:

<b>Performance Indicator</b>	<b>2020-21 Actual</b>	<b>2021-22 Target</b>	<b>2021-22 Actual</b>
Draft reports issued within 15 days of field work being completed.	83%	90%	84%
Productive Time / Total Time.	79%	80%	78%
Audits completed within planned time.	88%	90%	95%
Client Satisfaction Survey.	100%	100%	100%

Time spent supporting Finance with Business Support grants has been included as Productive Time.

Performance has been affected by the adjustment to home working by the team and those being audited.

Eighteen Client satisfaction surveys were returned by management after audits were completed, which represents around a 45% response rate. All of them were rated as ‘satisfied’ or better.

## APPENDIX A

### Analysis Of Internal Audit Opinions and Recommendations Made in 2021-22

The table below shows a summary of the audit opinions and recommendations that have arisen from audit work completed during the period.

<i>Audit Area</i>	<i>Audit Opinions</i>						<i>Number of Recommendations Made</i>			
	<i>Substantial Assurance</i>	<i>Reasonable Assurance</i>	<i>Partial Assurance</i>	<i>No Assurance</i>	<i>No opinion given</i>	<i>Total</i>	<i>red</i>	<i>amber</i>	<i>green</i>	<i>Total</i>
Corporate	2	1	0	0	0	3	0	0	3	3
Assistant Chief Executive	3	2	1	0	0	6	0	11	15	26
Adult Care Housing and Public Health	4	2	0	0	0	6	0	2	6	8
Children and Young Peoples Services	1	4	0	0	0	5	0	5	11	16
Finance and Customer Services	7	5	1	0	0	13	3	18	18	39
Regeneration and Environment	1	2	2	0	0	5	0	12	14	26
Investigations	0	1	0	0	4	5	0	1	5	6
<b>Total</b>	<b>18</b>	<b>17</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>43</b>	<b>3</b>	<b>49</b>	<b>72</b>	<b>124</b>

## APPENDIX A

Rating	Definition
Substantial Assurance	Substantial assurance that the system of internal control is designed to minimise risks to the achievement of the service's objectives. The controls tested are being consistently and effectively applied.
Reasonable Assurance	Reasonable assurance that the system of internal control is designed to minimise risks to the achievement of the service's objectives. However, some weaknesses in the design or inconsistent application of controls put the achievement of some objectives at a <b>Low</b> risk.
Partial Assurance	Partial assurance where weaknesses in the design or application of controls put the achievement of the service's objectives at a <b>Medium</b> risk in a significant proportion of the areas reviewed.
No Assurance	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes service objectives to an unacceptable <b>High</b> level of risk.

### Recommendation categories

Red Fundamental (Action considered necessary to avoid exposure to high risk)

Amber Significant (Action considered necessary to avoid exposure to a significant risk)

Green Merits Attention (Action desirable to enhance control or value for money)