



**Open Report on behalf of Andrew Crookham, Executive Director - Resources**

Report to:	<b>Audit Committee</b>
Date:	<b>19 March 2021</b>
Subject:	<b>Internal Audit Progress Report</b>

**Summary:**

The purpose of this report is to:

- Provide details of the audit work completed to 15<sup>th</sup> February 2021.
- Advise on progress of the 2020/21 plan (including planned work to June 2021).
- Raise any other matters that may be relevant to the Audit Committee role.

**Recommendation(s):**

That the Committee note the outcomes of Internal Audit's work and identify any necessary actions that need to be taken.

**Background**

This paper covers the period 14<sup>th</sup> October 2020 to 15<sup>th</sup> February 2021 and reports on progress made in our audit plans.

Our progress report is attached in appendix A and shows:

- Reports issued
- Assurance opinions including a summary
- Benchmarking information in performance indicators
- Other matters of interest
- Outstanding audit recommendations
- Audit schedule
- Planned work to June 2021

## Conclusion

The outcome of our work shows some governance & risk issues – with **2** of our assurance opinions being **limited**. These relate to:

- ICT Network infrastructure Security; and
- ICT Business Continuity & Disaster Recovery.

We have invited the Assistant Director IMT & Enterprise Architecture to attend the Audit Committee to give an update to members on the limited assurance reviews.

We have also issued **2 high assurance** and **2 substantial assurance opinions** and completed the co-ordination of the Combined Assurance Report for the Corporate Leadership Team and Audit Committee.

We are making good progress towards completing the revised 2020-21 audit plan - **69%** progress has been made more difficult by the on-going impact of Covid-19 and staff capacity issues within the team. We have had a number of sickness absences and have been unable to recruit to vacant auditor posts.

We continue to utilise additional specialist resources to support the delivery of ICT audits and additional external resources have been contracted to help deliver the remaining audits in the plan.

All audits have been allocated – given the challenges to delivery this year we are now working to complete the plan by the end of April 2021.

Our recruitment activity this year has demonstrated the limited availability of experienced auditors. Moving forward, we are looking to build capacity and 'grow our own' through recruiting apprentices in 2021/22.

Follow up of outstanding recommendations so that **74%** have been implemented – with 11% not yet due at this date. Management responses established that the remaining 15% have been deferred for a number of reasons, including better aligning actions with ongoing service projects and the Council's ongoing Covid-19 response and recovery plans remaining the priority.

There is **one audit** with outstanding actions for which we originally reported a Limited Assurance opinion: **Cyber Security**. There are **2 high risk actions still outstanding for the Cyber security** audit. These relate to access to the network and Disaster Recovery. These now have completion dates of **March 2022 and 2024** respectively. Both are reliant on the delivery of Microsoft Azure as the network moves towards Cloud based architecture. We will continue to track both actions.

**Appendix A** – shows our Internal Audit Progress Report – March 2021.

## Consultation

### a) Have Risks and Impact Analysis been carried out?

No

### b) Risks and Impact Analysis

N/A

## Appendices

These are listed below and attached at the back of the report	
Appendix A	Internal Audit Progress Report

## Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Lucy Pledge, who can be contacted on 01522 553692 or [lucy.pledge@lincolnshire.gov.uk](mailto:lucy.pledge@lincolnshire.gov.uk) .

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