



Internal Audit

FINAL

Runnymede Borough Council

Standards and Audit Committee – 30th May 2024

Summary Internal Controls Assurance (SICA) Report

2023/24

May 2024

Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Standards and Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Runnymede Borough Council as at 20th May 2024.

Future of Internal Audit (IA)- Digital drivers

Use of Data analytics by TIAA

2. TIAA is always adopting new ways of working and methodologies including innovative approaches for delivering internal audits. This is part of our continuous improvement programme which facilitates improvements in efficiency, effectiveness, and the quality of the work we deliver. We currently use data analytics as part of our work in relevant areas to test against full data sets, spot hidden risks, to target our testing and to provide 'proof in total' assurance; this adds credibility and value to the reports we produce. Data Analytics helps us to analyse large volumes of data to identify trends, patterns, and anomalies that may indicate potential risks or opportunities for improvement.

How will Artificial Intelligence (AI) enhance the delivery Internal Audit of the future?

3. We believe that the way internal audits are delivered will change significantly in the next 3 to 5 years through the use of AI, through the use of auditing tools which contribute towards a process of continuous audit assurance, a wider use of predictive analytics to allow auditors to provide reports that are far more forward looking, and robotic process automation which will help remove much of the manual data collection work, thereby allowing Internal Audit more time to provide value-added analysis. Another branch of AI, Natural Language Processing (NLP), has the potential of also enabling auditors to analyse text in a large number of documents.
4. In addition to the use of Data Analytics, TIAA is actively exploring, as part of our vision for the future, the use of AI, automation and other digital tools to streamline the audit process, inform planning, reduce manual effort, and enhance the quality of audit results. Automated data collection and analysis will help reduce the time required to complete audits and improve the accuracy and consistency of audit results. Innovative ways of using and integrating artificial Intelligence in the delivery of audits in response to the exponential growth in data, and how it is analysed and used in the context of Internal Audit, is part of TIAA's innovation strategy. We will also as part of our strategy be investigating more opportunities to not only use AI, but also to develop the capabilities to audit AI and the associated ethical considerations.

Audits completed since the last SICA report to the Audit Committee

5. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Procurement-Contracts	Reasonable	5 th March 2024	12 th March 2024	11 th March 2024	0	0	3	0
Risk Management	Substantial	15 th Jan 2024	15 th Feb 2024	15 th Feb 2024	0	1	3	1
Community Grants	Substantial	15 th April 2024	4 th May 2024	8 th May 2024	0	0	0	0
Key Revenue Controls Account	Substantial	15 th April 2024	20 th April 2024	24 th April 2024	0	0	0	0
Key Financial Controls	Reasonable	7 th February 2024	27 th February 2024	28 th February 2024	0	0	3	1
Main Accounting	Reasonable	17 th April 2024	17 th April 2024	25 th April 2024	0	0	0	1

6. The Executive Summaries and the Management Action Plans as well as full reports for each of the finalised reviews are included as a supplementary set of documents. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2023/24 Annual Plan

7. Our progress against the Annual Plan for 2023/24 is set out in Appendix A.

Frauds/Irregularities

8. No additional frauds or irregularities have been advised to us since the last update to the audit committee.

Responsibility/Disclaimer

9. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Executive Summaries and Management Action Plans

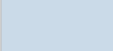
The following Executive Summaries and Management Action Plans are included in this Appendix. Full copies of the reports are available to the Standards and Audit Committee on request. Where a review has a 'Limited' or 'No' Assurance assessment the full report has been presented to the Standards and Audit Committee and therefore is not included in this Appendix.


Review	Evaluation
Procurement-Contracts	Reasonable
Risk Management	Substantial
Community Grants	Substantial
Key Revenue Controls Account	Substantial
Key Financial Controls	Reasonable
Main Accounting	Reasonable


Progress against Annual Plan


System	Planned Quarter	Current Status	Comments	Priority
Data Quality	1	Completed	Final report issued	High
Recruitment	1	Completed	Final report issued 29 September 2023	High
Governance - Corporate	1	Completed	Final report issued 21 September 2023	High
Procurement/Contracts	2	Final To May AC	Final 21 st March 2024	High
Risk Management	2	Final To May AC	Final 15 th April 2024	Medium
Housing Repair and Maintenance	2	Completed	Final report issued 5 September 2023	High
Depot	2	Completed	Final report issued – Reported To Dec AC	High
Commercial Property	2	Draft	Indicative opinion Substantial	High
Community Grants	3	Final To May AC	Final issued 8 th May	Medium
ICT – Virtual Cloud Based Approach to DR	3	Draft	Indicative opinion Reasonable	Medium
ICT Audit Follow up of previous recommendations	3	Completed	Final	Medium
Key Revenues Controls	3	Final To May AC	Final 24 th April 2024	High
Key Financial Controls	3	Final To May AC	Draft 25 th April 2024	High
Main Accounting	3	Final To May AC	Final 25 th April 2024	Low
Payroll	3	Completed (Reported to Feb AC)	Final 15 Feb 2024	Medium
Treasury Management	3	Draft	Indicative opinion Substantial (Draft 16 th May 2024)	Low
Meals at Home	3	Completed (Reported as additional supplement to Feb AC)	Final 6 th February	Medium
Safeguarding	3	Draft	Indicative opinion Reasonable (Draft 21 st May 2024)	High
Follow-up	1-4		Report Each Audit Committee	

KEY:

 To be commenced

 Site work commenced

 Draft report issued

 Final report issued