
Internal Audit Annual Assurance Report 2018/19 - Summary Report

Committee considering report: Governance and Ethics Committee on 29 July 2019

Portfolio Member: Councillor Howard Woollaston

Date Portfolio Member agreed report: 04 July 2019

Report Author: Julie Gillhespey (Audit Manager)

Forward Plan Ref: GE3625

1. Purpose of the Report

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require the Audit Manager to make a formal annual report to those charged with governance within the Council.

2. Recommendation

- 2.1 That the Governance and Ethics Committee note the contents of the report.

3. Implications

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|-----|-------------------------|---|
| 3.1 | Financial: | None |
| 3.2 | Policy: | None |
| 3.3 | Personnel: | None |
| 3.4 | Legal: | None |
| 3.5 | Risk Management: | Internal Audit work helps to improve risk management processes by identifying weaknesses in systems and procedures and making recommendations to provide mitigation. The aim of which is to help ensure that services and functions across the Council achieve their goals and targets, and the organisation as a whole meets its plans and objectives. |
| 3.6 | Property: | None |
| 3.7 | Other: | None |

4. Other options considered

- 4.1 None, the Public Sector Internal Audit Standards (PSIAS) require an annual report to be prepared.

4.2 Executive Summary

5. Introduction / Background

- 5.1 The PSIAS require the Audit Manager to make a formal report annually to those charged with governance in the Council. The report is required to include an opinion on the Council's governance, risk management and internal control framework, which in turn supports the Annual Governance Statement.
- 5.2 The audit opinion is based upon the assurance work undertaken during the year; knowledge gained from previous assurance work; as well as intelligence gained from other sources of assurance, both internal and external, for example, Ofsted and the Council's Finance and Governance Group.

5.3 Purpose of the Audit Manager's Annual Assurance Report

To provide:-

- (1) An opinion on the Council's governance, risk management and control environment;
- (2) Information to support the opinion given;
- (3) A summary of the work undertaken compared with planned;
- (4) Performance of the Internal Audit Team;
- (5) A statement as to whether the work of the Audit Team complies with the PSIAS.

5.4 Assurance Opinion

- (1) The Audit Manager can provide reasonable assurance that the governance, risk management and control framework remains robust. There was only one audit deemed to be weak, which was the review of the Use of Procurement Cards, and although it has a Council wide implication, there are relatively low values involved.
- (2) Work on key financial systems has concluded that they are well controlled.
- (3) There were three follow-up reviews completed during the year, all of which concluded satisfactory progress had been made to action the agreed recommendations.

5.5 Performance of the Audit Team

The team has a service performance indicator to achieve 80% of the audit plan. For 2018/19 the actual result was 81%, this is slightly lower than the result achieved for the previous year which was 85%. The reduction in performance was due to there being a trainee in the auditor post and there being vacancies for a period during the year.

6. Proposal

- 6.1 For the Governance and Ethics Committee to note the content of this report.

7. Conclusion

- 7.1 The Audit Manager's annual audit opinion is that reasonable assurance can be provided that the Council's governance, risk management and control framework remains robust.

8. Appendices

- 8.1 Appendix A – Internal Audit Annual Assurance Report - Supporting Information
- 8.2 Appendix B – Audit Work in Progress as at 31st March 2019
- 8.3 Appendix C – Audit Work Completed for the last quarter of 2018/19.