



**AUDIT AND RISK MANAGEMENT COMMITTEE
MONDAY 22 JULY 2019**

REPORT TITLE:	CHIEF INTERNAL AUDITORS ANNUAL REPORT AND OPINION 2018/19
REPORT OF:	CHIEF INTERNAL AUDITOR

REPORT SUMMARY

- 1.1 The Internal Audit Service plans and completes audits to review all relevant areas of risk.
- 1.2 Reports, including recommendations produced following audits are presented to managers. A summary report is produced annually by the Chief Internal Auditor and an overall opinion provided as to the effectiveness of the Council's control environment.
- 1.3 This report presents the Chief Internal Auditors Annual Report for 2018/19.

2.0 RECOMMENDATION

- 2.1. That the report be considered by the Members and noted.

SUPPORTING INFORMATION

1. REASON FOR RECOMMENDATION

- 1.1 To provide the Members with assurance that the Council is taking appropriate measures to comply with statutory requirements to provide an adequate and effective internal audit service.
- 1.2 To ensure that risks to the Council are managed effectively.
- 1.3 To ensure that the Council complies with best practice guidance identified in the CIPFA publication 'A Toolkit for Local Authority Audit Committees'.

2. OTHER OPTIONS CONSIDERED

- 2.1 No other options considered.

3. BACKGROUND INFORMATION

- 3.1 The Accounts and Audit Regulations require that a local authority "shall maintain an adequate and effective system of internal audit".
- 3.2 In order to meet the statutory requirements the Internal Audit Section has conducted audits to review the operation of the internal control systems. The work has been conducted in accordance with professional standards set by the Audit Practices Board, CIPFA and the Chartered Institute of Internal Auditors.

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- 3.3 The attached Chief Internal Auditors Annual Report specifies the Internal Audit assurance opinion on key areas of the Council's activity for 2018/19.
- 3.4 The audits conducted during the year were principally planned to review the financial control systems in compliance with the requirements of the Accounts and Audit Regulations. However significant attention was also paid to key risks in the following areas:

Performance Management,
Counter Fraud and Corruption
Corporate Governance,
Risk Management,
ICT Systems,
Service Delivery.
- 3.5 The Audit Plan was compiled on a risk assessment basis that included consideration of the sensitivity and complexity of all risks identified. Client requests, systems being developed and the availability of resources were also other factors also taken into account during the year.

- 3.6 The Internal Audit Plan for 2018/19 was approved by this Committee in March 2018.
- 3.7 The Chief Internal Auditors Annual Report complies with all of the extensive requirements of the Public Sector Internal Audit Standards.
- 3.8 The report summaries all Internal Audit activity during 2018/19 and includes various analysis and comment, including management feedback on work undertaken and reported to this Committee for discussion, debate and action during the year.

4. FINANCIAL IMPLICATIONS

- 4.1 There are none arising from this report.

5. LEGAL IMPLICATIONS

- 5.1 There are none arising from this report.

6. RESOURCE IMPLICATIONS

- 6.1 There are none arising from this report.

7. RELEVANT RISKS

- 7.1 Appropriate actions are not taken by officers and Members in response to the identification of risks to the achievement of the Council's objectives.
- 7.2 Potential failure of the Audit and Risk Management Committee to comply with best professional practice and thereby not function in an efficient and effective manner.

8. ENGAGEMENT/CONSULTATION

- 8.1 Members of this Committee are consulted throughout the process of delivering the Chief Internal Auditors Annual Report.

9. EQUALITY IMPLICATIONS

- 9.1 There are none arising from this report.

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APPENDICES

Chief Internal Auditors Annual Report 2018/19

BACKGROUND DOCUMENTS

Internal Audit Plan 2018/19

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit and Risk Management Committee	Annual Report