



Corporate Governance Group

Thursday 29 November 2018

Internal Audit Progress Report - Quarter 2 2018/19

Report of the Executive Manager – Finance and Corporate Services

1. Purpose of report

- 1.1. The attached report has been prepared by the Council's internal auditors RSM. It is the second progress report for the financial year 2018/19 and shows the current position on the audit programme, along with any significant recommendations with regards to the audits completed during this period.

2. Recommendation

It is RECOMMENDED that the Corporate Governance Group notes the second progress report for 2018/19 (**Appendix A**) from the Council's Internal Auditor.

3. Reasons for Recommendation

- 3.1. To conform to best practice and Public Sector Internal Audit Standards; and give assurance to the Corporate Governance Group regarding the Council's internal control environment.

4. Supporting Information

- 4.1. The Internal Audit Plan for 2018/19 was approved by the Corporate Governance Group at its meeting on 10 May 2018 and includes 20 planned reviews. Of these reviews 56% have been completed. The attached report highlights the completion and issuing of four reports: NNDR, IT Strategy Review, Payroll and Expenses, Income and Debtors. In terms of findings:
 - IT Strategy Review has been awarded reasonable assurance with 1 medium priority identified in relation to the reporting of key performance indicators related to the RBSi programme to senior management. Mitigating action has been agreed by management and performance will be reported regularly.
 - NNDR, Payroll and Expenses, and Income and Debtors were all awarded substantial assurance.
- 4.2. With regard to the remaining programme, 4 assignments will be undertaken and reported at the next meeting of this Group in February 2019. The remainder of the audit plan is due to be completed over the remaining four months of 2018/19.

5. Alternative options considered and reasons for rejection

5.1. Not Applicable.

6. Risks and Uncertainties

6.1. If recommendations are not acted upon there is a risk internal controls are weakened and the risk materialises.

7. Implications

7.1. Financial Implications

There are no direct financial implications to the report. Indirectly a better internal control environment suggests risk has reduced and can result in a reduced audit workload and therefore cost.

7.2. Legal Implications

The recommendation supports good risk management.

7.3. Equalities Implications

There are no equalities implications identified for this report

7.4. Section 17 of the Crime and Disorder Act 1998 Implications

There are no such implications.

7.5. Other implications

There are no other implications.

8. Link to Corporate Priorities

Maintaining a proactive internal audit programme each year contributes to the Corporate Priority of:

- Transforming the Council to enable the delivery of efficient high quality services

9. Recommendations

It is RECOMMENDED that the Corporate Governance Group notes the second progress report for 2018/19 (**Appendix A**) from the Council's Internal Auditor.

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Background papers available for Inspection:	None
List of appendices:	Appendix - Internal Audit Progress Report – RSM