



## **Corporate Governance Group**

**Thursday, 9 May 2019**

## **Internal Audit Annual Report 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 summarises the work undertaken during the course of 2018/19 and the management actions arising from the audits. It also provides the annual opinion of the Head of Internal Audit required by the Public Sector Internal Audit Standards.

#### **2. Recommendation**

It is **RECOMMENDED** that the Corporate Governance Group notes Internal Audit's Annual Report in relation to 2018/19 (**Appendix A**).

#### **3. Reasons for Recommendation**

- 3.1. To conform with 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 appended RSM report highlights the completion of the Internal Audit Plan for 2018/19. In accordance with the Public Sector Internal Audit Standards, the Head of Internal Audit, RSM, is required to provide an annual opinion and it is pleasing to note that for 2018/19 RSM has concluded that the Council has an adequate and effective framework for risk management, governance and internal control.
- 4.2. In 2018/19, RSM undertook 13 audits, two advisory reviews, one follow-up review and one procedural review.
- 4.3. As reported previously in the quarterly progress reports, of the 13 audits, 12 resulted in a green substantial assurance rating being provided and one review resulted in amber reasonable assurance rating. A total of 28 management actions were identified including one 'medium' priority and 27 'low' priority. Management actions have been agreed in all cases.

- 4.4. A further two advisory audits were undertaken for Asset Investment and Streetwise resulting in three 'medium' and two 'low' priority actions being raised across both audits.
- 4.5. RSM concluded that 'good' progress' was made in implementing previously agreed management actions from a follow-up review undertaken this year.
- 4.6. A separate agreed upon procedural review of General Data Protection Regulations (GDPR) Governance – Post Implementation was undertaken resulting in seven management actions.

## **5. Risks and Uncertainties**

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

## **6. Implications**

### **6.1. Financial Implications**

- 6.1.1. 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.

### **6.2. Legal Implications**

- 6.2.1. There are no legal implications arising from this report.

### **6.3. Equalities Implications**

- 6.3.1. There are no equalities implications arising from this report.

### **6.4. Section 17 of the Crime and Disorder Act 1998 Implications**

- 6.4.1. There are no Section 17 implications arising from this report.

### **6.5. Other implications**

- 6.5.1. There are no other implications arising from this report.

## **7. 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

## 8. Recommendations

It is RECOMMENDED that the Corporate Governance Group notes Internal Audit's Annual Report in relation to 2018/19 (**Appendix A**).

<b>For more information contact:</b>	Peter Linfield Executive Manager - Finance and Corporate Services 0115 9148439 plinfield@rushcliffe.gov.uk
<b>Background papers available for Inspection:</b>	None.
<b>List of appendices:</b>	Appendix 1 – Internal Audit Annual Report 2018/19