	Governance Scrutiny Group
Rushcliffe Borough Council	**Tuesday, 3 December 2019**
	Internal Audit Progress Report

Report of the Executive Manager – Finance and Corporate Services

Cabinet Portfolio Holder: Finance and Contracts

1.   Purpose of report

1.1.   The attached reports have been prepared by the Council's internal auditors RSM. They reflect the current progress made against the annual Internal Audit programme along with any significant recommendations with regard to the audits completed during this period.

2.   Recommendation

It is RECOMMENDED that the Governance Scrutiny Group notes the progress made so far this year against the Internal Audit programme.

3.   Reasons for Recommendation

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

4.   Supporting Information

4.1.   The Internal Audit Plan for 2019/20 was approved by the Corporate Governance Group at its meeting on 7 February 2019 and includes 14 planned reviews. The attached report highlights the completion and issuing of six reports: Cyber Risk Management, Insurance, Creditors and e-Procurement, Markets – Review of New Contractoral Arrangements, Business Support Unit, and Payroll. In terms of findings:

- 72% of the annual Internal Audit programme has been completed

- The Markets – Review of New Contractoral Arrangements was an additional piece of work undertaken to review the actions taken in the appointment of new managing agents for the Market and no opinion was required

- Four audits have returned findings of Substantial Assurance

- The Insurance, Creditors and e-Procurement, and Payroll audits each resulted in one low level recommendation and management actions have been agreed

- The Business Support Unit audit resulted in four low level priority recommendations and management actions have been agreed

- The Cyber Risk Management audit received a Reasonable Assurance opinion and resulted in two medium and eight low priority recommendations – the medium priority recommendations related to the need to test the Cyber Incident Response Plan annually, and an undertaking to investigate the costs and benefits of implementing a SIEM solution to collate all security log information and report potential incidents through automated alerts.

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

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

The recommendation supports good risk management and complience with legislation and regualtions relating to Local Authority finance.

6.3.   Equalities Implications

There are no equalities implications identified for this report.

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

There are no such implications.

7.   Link to Corporate Priorities

Quality of Life	No links
Efficient Services	Undertaking a programme of internal audit ensures that proper and efficient services are delivered by the Council.
Sustainable Growth	No links
The Environment	No links

8. Recommendations

It is RECOMMENDED that the Governance Scrutiny Group notes the progress made so far this year against the Internal Audit programme.

For more information contact:	Peter Linfield Executive Manager - Finance and Corporate Services Tel: 0115 9148439 plinfield@rushcliffe.gov.uk
Background papers available for Inspection:	None
List of appendices:	**Appendix 1 -** Internal Audit Progress Report – RSM