



Governance Scrutiny Group

Thursday, 30 July 2020

Internal Audit Annual Report 2019/20

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 2019/20 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 Governance Scrutiny Group notes Internal Audit's Annual Report in relation to 2019/20 (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 2019/20. 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 2019/20 RSM has concluded that the Council has an adequate and effective framework for risk management, governance and internal control.
- 4.2. In 2019/20, RSM undertook 15 internal audit reviews, two advisory audits, and one follow-up review.
- 4.3. As reported previously in the quarterly progress reports, of the 15 audits, 13 resulted in a green 'substantial assurance' rating being provided and two review resulted in amber 'reasonable assurance' rating (Building Control and Cyber Risk Management). A total of 40 management actions were identified including six 'medium' priority and 34 'low' priority. Management actions have been agreed in all cases.
- 4.4. A further two advisory audits were undertaken for Fraud and the management of Bingham Market.

4.5. RSM concluded that 'good' progress' was made in implementing previously agreed management actions from a follow-up review undertaken this year.

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

There are no legal implications arising from this report.

6.3. Equalities Implications

There are no equalities implications arising from this report.

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

There are no Section 17 implications arising from this report.

7. Link to Corporate Priorities

Quality of Life	
Efficient Services	Undertaking a programme of internal audit ensures that proper and efficient services are delivered by the Council.
Sustainable Growth	
The Environment	

8. Recommendations

It is RECOMMENDED that the Governance Scrutiny Group notes Internal Audit's Annual Report in relation to 2019/20 (**Appendix A**).

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Background papers available for Inspection:	
List of appendices:	Appendix A – Internal Audit Annual Report 2019/20