



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