

Subject:	Annual Internal Audit Report 2017/18		
Date of Meeting:	24 July 2018		
Report of:	Executive Director, Finance & Resources		
Contact Officer:	Name:	Mark Dallen	Tel: 01273 291314
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Internal Audit Annual Report and Opinion sets out the Chief Internal Auditor's and Audit Manager's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control for the year-ended 31 March 2018.
- 1.2 The report also includes a summary of the results of internal audit work for the year along with a narrative summary of those audits finalised since the last progress report to this Committee in March 2018.

2. RECOMMENDATIONS:

- 2.1 That the Committee note that reasonable assurance has been given on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control for the year ended 31 March 2018.
- 2.2 That the Committee note the assurances and improvement actions detailed on audits finalised since the last progress report to this Committee in March 2018.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Accounts and Audit Regulations (England) 2015 require local authorities to undertake an effective internal audit to evaluate the effectiveness of risk management, control and governance processes taking into account public sector internal auditing standards or guidance.
- 3.2 As part of these requirements the Chief Internal Auditor is required to:
- give an opinion on the control environment
 - conduct an annual review of the effectiveness of the internal audit function and have the findings considered by a committee.
- 3.2 The second requirement is usually met by a self-assessment but once every 5 years the Public Sector Internal Audit Standards require that an independent assessment is carried out. This requirement was delivered in 2017/18 through a review of the service by the South West Internal Audit Partnership, and is included as a separate item on the agenda for this meeting.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The requirement to have an internal audit function is set out in the Accounts and Audit Regulations (England) 2015.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The annual report has been informed by audit and corporate fraud work carried out during the year which has included extensive engagement with officers and members.

6. CONCLUSION

- 6.1 The Chief Internal Auditor and Audit Manager have concluded that reasonable assurance can be provided on the overall adequacy and effectiveness of the council's framework of governance, risk management and control for the year-ended 31 March 2018.
- 6.2 The council has set out in the annual governance statement how it plans to address the areas for improvement. This statement is part of a separate agenda item on this meeting's agenda.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 There are no direct financial implications arising from this report. Sound corporate governance, risk management and control are essential to the financial health and reputation of the council.

Finance Officer Consulted: Name James Hengeveld Date: 09/07/18

Legal Implications:

- 7.2 The Accounts and Audit Regulations (England) 2015 require that the findings of the effectiveness review be considered by Council or one of its committees. The Audit and Standards Committee is the designated committee for this purpose.

Lawyer Consulted: Victoria Simpson Date: 09/07/2018

Equalities Implications:

- 7.3 None

Sustainability Implications:

- 7.4 None

SUPPORTING DOCUMENTATION

Appendices:

1. Internal Audit Annual Report & Opinion 2017/18

Documents in Members' Rooms

1. None

Background Documents

1. Annual Internal Audit Plan 2017/18

