

Subject:	Internal Audit Progress Report – Quarter 1 (1 April 2018 to 30 June 2018)		
Date of Meeting:	18 September 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 purpose of this report is to provide Members with an update on all internal audit and counter fraud activity completed during the quarter, including a summary of all key audit findings. The report also includes details of progress on delivery of the annual audit plan along with an update on the performance of the internal audit service during the period.

2. RECOMMENDATIONS

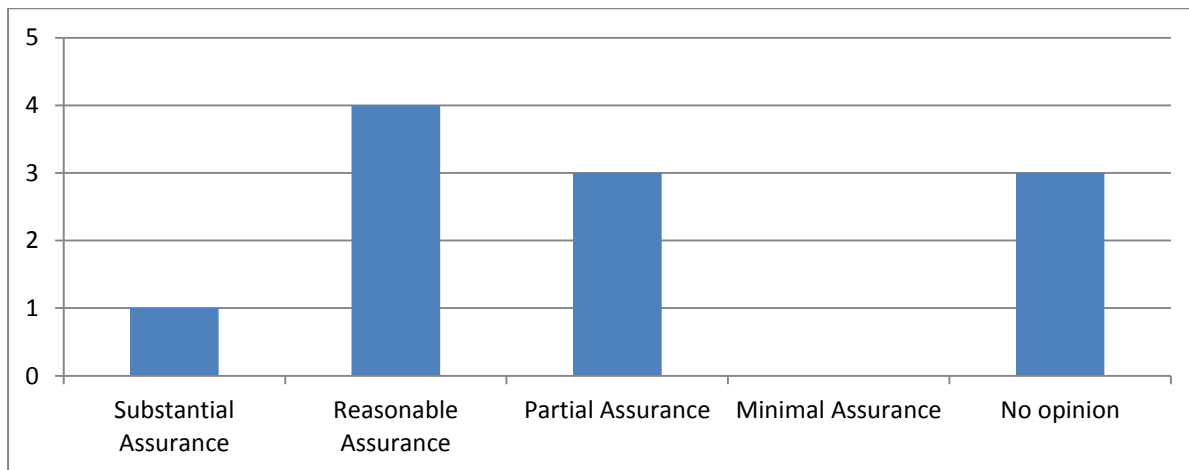
- 2.1 That the Committee note the report and consider any further action required in response to the issues raised.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The current annual plan for internal audit is contained within the Internal Audit Strategy and Annual Plan 2018/19 which was approved by the Audit and Standards Committee on 28 March 2018.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Internal Audit is on target to deliver 95% of the approved audit plan as per the key performance indicator. For the year to date 11 audit reviews have been completed to draft or final report stage.
- 4.2 Key audit findings from final reports issued during Quarter 1 are detailed in Appendix A and the opinions given are summarised in the chart below. There was one substantial assurance report, four reasonable assurances and three partial assurance reports. There were no minimal assurance reports in the quarter.
- 4.3 In three cases we have completed audits where no audit option is applicable. These relate to the certification of two EU grant claims and the investigation of a specific control failure within a housing procurement.



4.4 Formal follow up reviews continue to be carried out for all audits where 'minimal assurance' opinions have been given and for higher risk areas receiving 'partial assurance'. Two follow-up reviews (schools) were completed in the quarter and both resulted in an improved opinion of reasonable assurance.

4.5 Appendix A also provides details of counter fraud investigations completed, information on the tracking of high priority actions and progress against our performance targets.

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 None.

6. CONCLUSION

6.1 The Committee is asked to note the report.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

5.1 It is expected that the Internal Audit and Corporate Fraud Plan 2018/19 will be delivered within existing budgetary resources. Progress against the plan and action taken in line with actions support the robustness and resilience of the council's practices and procedures in support of the council's overall financial position.

Finance Officer Consulted: James Hengeveld

Date: 28/08/2018

Legal Implications:

7.2 The Accounts and Audit Regulations 2015 require the Council to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards'. It is a legitimate part of the Audit and Standards Committee's role to review the level of work completed and planned by internal audit.

Equalities Implications:

- 7.3 There are no direct equalities implications.

Sustainability Implications:

- 7.4 There are no direct sustainability implications.

SUPPORTING DOCUMENTATION

Appendices:

1. Audit Opinions and Definitions
2. Commentary on Finalised Reports

Documents in Members' Rooms

1. None

Background Documents

1. Internal Audit and Corporate Fraud Strategic Plan 2017/18

