

REPORT FOR DECISION

MEETING: **AUDIT COMMITTEE**

DATE: **30 JULY 2019**

SUBJECT: **INTERNAL AUDIT ANNUAL REPORT AND REVIEW OF
THE EFFECTIVENESS OF INTERNAL CONTROL AND
GOVERNANCE 2018/19**

REPORT FROM: **HEAD OF FINANCIAL MANAGEMENT**

CONTACT OFFICER: **ANDREW BALDWIN**

TYPE OF DECISION: Non Key Decision

**FREEDOM OF
INFORMATION/STATUS:** For Publication

SUMMARY: This report summarises the work undertaken by the Internal Audit service in the financial year 2018/19 comparing it to the Audit Plan for the year. It contains an "Audit Opinion" which assesses the authority's control and governance framework, finding it to be robust. Members are also updated on some of the issues facing the Internal Audit service in the current year.

**OPTIONS &
RECOMMENDED OPTION** Members can accept or reject the conclusions reached in the report, or can ask for it to be revised. Based on the evidence provided Members are recommended to accept the report, and to endorse its suitability in support of the Governance Statement for 2018/19.

IMPLICATIONS:

Corporate Aims/Policy Framework: Yes

**Financial Implications and Risk
Considerations:** See statement by Chief Finance Officer.

Statement by Chief Finance Officer: There are no direct financial or risk implications arising from the report.

The work of the Internal Audit section is an essential element of the framework by which I discharge my obligations under s151 of the Local Government Act 1972. The opinion given by the Head of Financial Management on the control framework provides assurance that key controls are operating to an acceptable standard.

The Annual Report and Opinion, (see Appendix B, par. 3) reminds Members of the nature of testing – it covers a proportion of Council activities at a particular point in time. There is, therefore, always a risk that weaknesses in control may have developed that have not yet been identified.

Equality/Diversity implications:

No

Considered by Monitoring Officer:

Yes. The Internal Audit Annual Report complies with statutory requirements.

Are there any legal implications?

Yes. See Appendix B paragraphs 1.2, 6.1 and 10.2.

Staffing/ICT/Property:

There are no direct resource implications arising from the report.

Wards Affected:

The work of Internal Audit impacts on all of the Council's wards and Township Forums.

Scrutiny Interest:

None.

TRACKING/PROCESS

DIRECTOR:

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
	✓Chair		
Overview & Scrutiny Committee	Cabinet	Committee	Council
		Audit 30/07/19	

1.0 BACKGROUND

- 1.1 Members of the Audit Committee are actively involved in overseeing Internal Audit work – approving the annual plan, scrutinising reports and monitoring progress. The Annual Report was introduced in 1999 and is now a regular feature, providing an opportunity to recap the performance of Internal Audit over the whole year, and to take stock.

2.0 ISSUES

- 2.1 The Review of the Effectiveness of Internal Control (attached as Appendix A) gives us the opportunity to consider what constitutes the system of internal control in its widest sense and determine how effective it is. Significant resources are used in maintaining such systems and it is essential to review them.
- 2.2 The Annual Report (attached as Appendices B, C and D) examines the overall position with regard to systems and controls, having regard to the risks involved.
- 2.3 It is intended that the report will form part of the assurance Members are now required to seek under the provisions of the Accounts and Audit Regulations 2015. They will draw upon assurances gathered from various sources in order to fulfil the Council's obligation to issue a Governance Statement.

3.0 CONCLUSION

- 3.1 The report concludes that the planned work for 2018/19 was completed to a satisfactory degree and to an acceptable standard.
- 3.2 The report also concludes that the authority has a robust internal control framework and effective governance arrangements.

Andrew Baldwin
Head of Financial Management

List of Background Papers:-

Internal Audit Annual Plan 2018/19

Contact Details:-

Andrew Baldwin, Head of Financial Management
Tel: 0161 253 5034
E-mail: a.baldwin@bury.gov.uk
