

## **For publication**

### **Summary of Internal Audit Reports Issued 2018/19**

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Meeting:	Standards and Audit Committee
Date:	25th July 2018
Cabinet portfolio:	Governance
Report by:	Internal Audit Consortium Manager

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## **For publication**

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### **1.0 Purpose of report**

- 1.1 To present for members' information a summary of Internal Audit Reports issued during the period 1st April 2018 to 15th June 2018 in respect of reports issued relating to the 2018/19 internal audit plan.

### **2.0 Recommendation**

- 2.1 That the report be noted.

### **3.0 Report details**

- 3.1 The Public Sector Internal Audit Standards require that the Internal Audit Consortium Manager reports periodically to the Standards and Audit Committee in respect of performance against the audit plan. Significant risk and control issues should also be reported.

- 3.2 Attached, as Appendix A, is a summary of reports issued covering the period 1st April 2018 to 15th June 2018, for audits included in the 2018/19 internal audit plan.
- 3.3 As requested previously, Members have been provided with copies of reports that have been issued with a limited or inadequate audit opinion. This period, 2 limited assurance internal audit reports have been issued (OSD Property Safety Inspections and Careline), the reasons these areas were assessed as "Limited" are summarised in Appendix B.
- 3.4 Appendix A shows for each report a summary of the scope and objectives of the audit, the overall conclusion of the audit and the number of recommendations made / agreed where a full response has been received.
- 3.5 The conclusion column of Appendix A gives an overall assessment of the assurance that can be given in terms of the controls in place and the system's ability to meet its objectives and manage risk in line with the definitions below.

<b>Assurance Level</b>	<b>Definition</b>
<b>Substantial Assurance</b>	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
<b>Reasonable Assurance</b>	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.
<b>Limited Assurance</b>	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.
<b>Inadequate Assurance</b>	There are fundamental control weaknesses, leaving the system/service open to material errors

or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

3.6 In respect of the audits being reported, it is confirmed that there were no issues arising relating to fraud that need to be brought to the Committees attention.

3.7 The production of this report ensures that Members charged with governance are aware of any internal control weaknesses or fraud identified by internal audit.

#### **4.0 Alternative options and reasons for rejection**

4.1 The report is for information.

#### **5.0 Recommendation**

5.1 That the report be noted.

#### **6.0 Reasons for recommendation**

6.1 To inform Members of the internal audit reports issued in order that the strength of the internal controls in place can be assessed.

#### **Decision information**

<b>Key decision number</b>	N/A
<b>Wards affected</b>	All
<b>Links to Council Plan priorities</b>	This report links to the Council's priority to provide value for money services.

## **Document information**

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<b>Background documents</b> These are unpublished works which have been relied on to a material extent when the report was prepared.		
<b>Appendices to the report</b>		
Appendix A	Summary of Internal Audit Reports Issued	
Appendix B	Summary of the key issues in relation to reports given a “limited or “inadequate” assurance opinion.	
Appendix C	Internal Audit Report on OSD Property Safety Inspections	
Appendix D	Internal Audit Report on Careline	