

## For publication

### Summary of Internal Audit Reports Issued 2017/18

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Meeting: Standards and Audit Committee

Date: 23 May 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 10th March 2018 to 13th April 2018 in respect of reports relating to the 2017/18 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 10<sup>th</sup> March 2018 to 13<sup>th</sup> April 2018, for audits included in the 2017/18 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, 1 limited (Corporate Targets – Appendix C) and 1 inadequate assurance (Procurement – Appendix D) internal audit reports have been issued, the reasons 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</b>	There are fundamental control weaknesses,

**Assurance**

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 Reason 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	Performance Management / Corporate Targets Report
Appendix D	Procurement Report  <b>Under Regulation 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the public will be excluded from the meeting for discussion of this item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 3 of Part I of Schedule 12A to the Local Government Act 1972.</b>

