



Melton
Borough
Council

Audit & Standards Committee

11th June 2019

Report of: Head of Internal Audit

INTERNAL AUDIT ANNUAL REPORT 2018/19

1.0 Summary:

1.1 The Public Sector Internal Audit Standards (the Standards) require the Head of Internal Audit to provide an annual Internal Audit report and opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework (i.e. the control environment) that can be used by the organisation to inform its Annual Governance Statement. This report provides a copy of the Annual Report which contains the annual opinion and the basis for this, for the Committee's attention.

2.0 Recommendations

2.1 That Members receive and note the Internal Audit Annual Report and Assurance Opinion for 2018/19.

3.0 Report Detail

Internal Audit opinion

3.1 Based upon the work undertaken by Internal Audit during 2018/19, the Head of Internal Audit's overall opinion on the Council's control environment is that Satisfactory Assurance can be given that there is generally a sound system of internal control, designed to meet the organisation's objectives and that controls are generally operating effectively in practice. However, no systems of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.

3.2 Appendix A to this report provides a copy of the Annual Report which includes the detailed Head of Internal Audit opinion on the Council's control framework for 2018/19 and the basis for this opinion.

Internal Audit performance

3.3 The report includes details of the delivery of the Internal Audit Plan for 2018/19 and achievement of the service's performance indicators. The team has delivered 100% of the agreed assignments from the Internal Audit Plan for the year and performed well against performance indicators.

3.4 An assessment of the Internal Audit service against the Public Sector Internal Audit Standards has concluded that the Internal Audit service operates in general conformance with the Standards.

4.0 **Consultation and Feedback (including Scrutiny Committee)**

4.1 Not applicable.

5.0 **Next Steps**

5.1 If approved, the Internal Audit plan for 2019/20 will be delivered in accordance with the Charter and Strategy.

6.0 **Financial Implications**

6.1 There are no financial or other resource implications arising directly from this report.

7.0 **Legal and Governance Implications:**

7.1 There are no legal implications arising directly from this report.

8.0 **Equality and Safeguarding Implications:**

8.1 There are no equalities or safeguarding implications arising directly from this report.

9.0 **Community Safety Implications:**

9.1 There are no community safety implications arising directly from this report.

10.0 **Other Implications**

10.1 There are no other implications arising directly from this report.

11.0 **Risk & Mitigation:**

11.1 The annual Internal Audit report forms part of the evidence that supports the Council's Annual Governance Statement and provides assurance over the adequacy and effectiveness of the Council's internal controls to manage the key risks and inform risk management arrangements.

Background Papers:

Not applicable.

Appendices

Appendix 1: Annual Internal Audit Report 2018/19

Report Timeline:

Equalities Check & Challenge

SLT Sign off

Previously Considered by Cabinet

Director Approval

Chief Finance Officer Sign Off

Monitoring Officer Sign Off

Exempt Reports

Date of Review to make public (Exempt Reports only)

Report Author & Job Title

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