

Regulatory and Other Committee

Open Report on behalf of Andrew Crookham, Executive Director - Resources

Report to:	Audit Committee
Date:	17 June 2019
Subject:	Internal Audit Annual Report

Summary:

This report gives the Head of Internal Audit opinion on the adequacy of the Council's Governance, Risk and Control environment and delivery of the Internal Audit plan for 2018/19.

Recommendation(s):

That the Committee consider the content of the Head of Internal Audit Annual Opinion and Report and any actions it may wish to take.

Background

1. The Annual Internal Audit Report aims to present a summary of the audit work undertaken over the past year. In particular:
 - Include an opinion on the overall adequacy of and effectiveness of the governance framework and internal control system and the extent to which the Council can rely on it;
 - Inform how the plan was discharged and of overall outcomes of the work undertaken;
 - Draw attention to any issues particularly relevant to the Annual Governance Statement.
2. The detailed report is attached in Appendix A.

Conclusion

3. Our internal audit service continues to work with the Audit Committee and Management to help the Council maintain effective governance, risk and control processes.

4. In forming my opinion I have also drawn upon other assurance intelligence in the Council.
5. During 2018/19 there have been a number of areas where we have identified the need for improved compliance and strengthening of the control processes. Management developed action plans to address our recommendations - implementing 99% of actions by the due date.
6. Overall the Council's control environment has remains adequate and I have assessed:

Governance 	Performing Well – Some improvements identified over the Council’s Governance, Risk and Control framework or to manage medium risks across the Council
Risk 	Performing Adequately – Some improvement required to manage a high risk in a specific business area and medium risks across the Council
Internal Control 	Performing Adequately – Some improvement required to manage a high risk in a specific business area and medium risks across the Council
Financial Control 	Performing Adequately – Some improvement required to manage a high risk in a specific business area and medium risks across the Council

7. The content of the Internal Audit Annual report has also informed the development of the Councils’ Annual Governance Statement 2019 – due to be approved at this Committee.
8. Assurance Lincolnshire conforms to the UK Public Sector Internal Audit Standards. This has been assessed through our Quality Assurance Framework and self-assessment as well as an external quality assessment completed autumn of 2016.
9. We continue to receive excellent feedback on our work and have a quality assurance improvement plan in place to help us continually improve and develop.

Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis

N/A

Appendices

These are listed below and attached at the back of the report	
Appendix A	Internal Audit Annual Report

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Lucy Pledge, who can be contacted on 01522 553692 or lucy.pledge@lincolnshire.gov.uk .

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