



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 19 JUNE 2019

SUBJECT: INTERNAL AUDIT ANNUAL REPORT – 2018/19

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To provide Committee with a copy of the Internal Audit Annual Report for the year ended 31 March 2019, together with the internal audit manager's opinion on the adequacy and effectiveness of the council's system of internal control.
- 1.2 This report is submitted to Committee in terms of Section III (I) (9) of the Council's Scheme of Administration—relating to considering the annual assurance statement provided by Internal Audit on the Council's control environment.

2. RECOMMENDATION

- 2.1 **That Committee considers and notes the contents of the annual report given as Appendix 1 to this report and seeks clarification on any matters relating thereto.**

3. BACKGROUND

- 3.1 The Public Sector Internal Audit Standards applicable to local government require the Internal Audit Manager to deliver an annual internal audit opinion and report for use by the organisation to inform its governance statement. The governance statement is published with the annual accounts and draws on a wide range of sources to report on how the council is managed and controlled.
- 3.2 It is proposed that the Committee considers the contents of the annual report which provides a commentary on internal audit activity during the year and the opinion on the Council's control environment.
- 3.3 The report covers the year to 31 March 2019 and is provided as **Appendix 1**.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Internal Audit assists the organisation to secure the control environment and provision of this annual report supports the Council's commitment to effective and accountable governance arrangements.

(b) Policy and Legal

The report supports the requirement under the Public Sector Internal Audit Standards to deliver an annual opinion and report for use by the council to inform its governance statement.

(c) Financial Implications

No financial implications.

(d) Risk Implications

Audit work mitigates the risks arising as a consequence of inadequate internal control systems.

(e) Staffing Implications

No implications.

(f) Property Implications

No implications.

(g) Equalities/ Socio Economic Impact

An Equality Impact Assessment is not needed because the report refers to the regulatory framework of the council.

(h) Consultations

There have been no consultations in respect of this report.

5. CONCLUSION

5.1 The Internal Audit annual report provides a summary overview of the nature and extent of audit work carried out during the year to inform the audit opinion on the internal control environment operating within the Council.

Author of Report:	Atholl Scott
Background Papers:	Internal Audit Reports and Working Paper Files
Ref:	AS/asc/190619