

**TO : GOVERNANCE AND AUDIT COMMITTEE
30 JANUARY 2019**

**INTERNAL AUDIT INTERIM REPORT
April –December 2018**

(Head of Audit and Risk Management)

1 PURPOSE OF REPORT

- 1.1 This report provides a summary of Internal Audit activity during the period April to December 2018.

2 EXECUTIVE SUMMARY

- 2.1 The report summarises progress and outcome of work carried out by both internal audit contractors and the in-house team in accordance with the Annual Internal Audit Plan approved by the Governance and Audit Committee. Any significant developments since the time of writing will be reported verbally to the Committee and included in future assurance reports.

3 RECOMMENDATION

- 3.1 The Governance and Audit Committee are asked to note the attached report.**

4 REASONS FOR RECOMMENDATION

- 4.1 To ensure that the Governance and Audit Committee are aware of the internal audit work performed and conclusions reached.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 No alternative options available.

6 SUPPORTING INFORMATION

- 6.1 Under the Council's Constitution and Scheme of Delegation the Borough Treasurer is responsible for the administration of the financial affairs of the Council under Section 151 of the Local Government Act 1972. Professional guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) requires the provision of an effective Internal Audit function to partly fulfil his responsibilities under Section 151.
- 6.2 The provision of Internal Audit services is largely outsourced to Mazars Public Sector Internal Audit. Mazars are responsible for delivering approximately two thirds of the audits set out in the Annual Internal Audit Plan approved by the Governance and Audit Committee in March 2018. IT audits are undertaken by TIAA Limited. The remaining audits are delivered by Wokingham internal audit team under an agreement under Section 113 of the Local Government Act 1972 which provides for the sharing of staff resources or are undertaken in house. The attached report summarises delivery to date on the audits approved under the Plan and other assurance activities carried out in-house within Audit and Risk Management.

7 BOROUGH SOLICITOR'S COMMENTS

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

8 BOROUGH TREASURER'S COMMENTS

8.1 Nothing to add.

9 OTHER OFFICERS' COMMENTS

9.1 Not applicable.

10 EQUALITIES IMPACT ASSESSMENT

10.1 Not applicable.

11 STRATEGIC RISK MANAGEMENT ISSUES

11.1 Internal Audit provides assurance on the Council's control environment based on the work undertaken and areas audited. Internal control is based upon an ongoing process designed to identify and prioritise risks and to evaluate the likelihood of those risks being realised and the impact should they arise. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure altogether. No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.

12 CONSULTATION

12.1 Not applicable.

13 BACKGROUND PAPERS

13.1 Annual Internal Plan 2018/19

13.2 Strategic Risk Register

14 CONTACT FOR FURTHER INFORMATION

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