

### **A13. Internal Audit Annual Assurance Report 2017/18**

The Committee considered a report by the Internal Audit Manager presenting the Annual Assurance report for 2017/18.

In regard to the Internal Audit plan for 2017/18, 21 main assignments had been agreed. In the course of a year a further 2 had been added, (Carbon Reduction Commitment Energy Efficient Scheme and LEADER), with 2 deferred (Cyber Security and Welfare Reform). Of the 5 key performance indicators for the Internal Audit function all had exceeded or met targets. On the basis of the work undertaken in 2017/18 Internal Audit had provided substantial assurance in relation to the Council's arrangements for risk management, governance and control for the year to 31 March 2018.

The report also provided detail on the assignments together with the assurance and key findings.

The Committee discussed the audits for which limited assurance had been provided and sought assurance that actions had been undertaken to address areas where improvement was required. In relation to an audit of Recruitment and Selection the Director of Corporate and Housing confirmed that the funding documentation had not always been returned to explain why a new start had not been not placed on the first point of their pay scale, or the required authorisation had not been provided. Services had been reminded of their responsibility to ensure that procedures were followed. He confirmed that a follow up would be undertaken to ensure compliance.

In regard to the findings of a review of Social Care and Education Transport that a number of drivers, passenger assistants and volunteer drivers had not been subject to PVG vetting and that some volunteer drivers did not hold appropriate insurance cover, the Director of Development Services stated that Service had taken responsibility for this area shortly after the event and that the findings had been invaluable.

Following questions on the key performance indicators the Internal Audit Manager confirmed that the 5 indicators were set locally. Some authorities had a large suite of indicators. However it was important that the suite of indicators were relevant and meaningful. He undertook to review the number of indicators for the functions and the associated targets and to report back to the next meeting.

Within the plan 5 assignments had been designed as 'ongoing involvement'. Following questions on this the Internal Audit Manager explained the ongoing involvement in the respective workstreams (such as the Council of the Future project) and confirmed that in each an audit would be undertaken if it was considered necessary to do so.

### **Decision**

**The Committee noted that:-**

- (1) sufficient Internal Audit work was undertaken to support a balanced assurance;**
- (2) Internal Audit can provide substantial assurance on the Council's arrangements for risk management, governance , and control for the year to 31 March 2018;**
- (3) Internal Audit met, or exceeded, each of its five Key Performance Indicators, and**
- (4) independent external assessment confirmed that the Internal Audit section is broadly compliant with Public Sector Internal Audit Standards.**