



<b>Policy, Finance and Development Committee</b>	<b>Tuesday, 11 June 2019</b>	<b>Matter for Information</b>
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**Report Title:** **Internal Audit Annual Report & Opinion (2018/19)**

**Report Author(s):** **Stephen Hinds (Deputy Chief Executive)**

<b>Purpose of Report:</b>	As part of the Council's corporate governance arrangements, the Annual Internal Audit Report is submitted to Policy, Finance & Development Committee. The purpose of the Internal Audit Annual Report (Appendix 1) is to report the key outcomes arising from the work of Internal Audit for 2018/19 and to provide an audit opinion on the adequacy and effectiveness of the Council's arrangements for governance, risk management and internal control.
<b>Report Summary:</b>	The report states that "significant assurance" can be given to the Council as there is a generally sound system of internal control.
<b>Recommendation(s):</b>	<b>A. That the report included on the audit opinion and the adequacy and effectiveness of the Council's arrangements for governance, risk management and internal control (as set out at Appendix 1 to this report) be noted; and B. That the conclusion that the Council has an effective internal service be endorsed.</b>
<b>Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):</b>	Stephen Hinds (Deputy Chief Executive) (0116) 257 2681 <a href="mailto:stephen.hinds@oadby-wigston.gov.uk">stephen.hinds@oadby-wigston.gov.uk</a>  Mark Watkins (Head of Internal Audit, CW Audit) (0121) 612 3871 <a href="mailto:mark.watkins@cwaudit.org.uk">mark.watkins@cwaudit.org.uk</a>
<b>Corporate Objectives:</b>	Providing Excellent Services (CO3)
<b>Vision and Values:</b>	Not applicable.
<b>Report Implications:-</b>	
Legal:	There are no implications arising from this report.
Financial:	There are no implications directly arising from this report.
Corporate Risk Management:	Decreasing Financial Resources (CR1) Key Supplier/Partnership Failure (CR2) Reputation Damage (CR4) Effective Utilisation of Assets/Buildings (CR5) Regulatory Governance (CR6) Increased Fraud (CR10)
Equalities and Equalities Assessment (EA):	There are no implications arising from this report. EA not applicable.

Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
<b>Statutory Officers' Comments:-</b>	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	As the author, the report is satisfactory.
Monitoring Officer:	The report is satisfactory.
<b>Consultees:</b>	None.
<b>Background Papers:</b>	<ul style="list-style-type: none"> <li>• <a href="#">Local Government Act 1972</a></li> <li>• <a href="#">The Accounts and Audit (England) Regulations 2011</a></li> <li>• <a href="#">Code of Practice for Internal Audit in Local Government (2006)</a></li> </ul>
<b>Appendices:</b>	<b>1.</b> Internal Audit Annual Report & Opinion 2018/19

## **1. Information**

- 1.1 The Internal Audit Annual Report & Opinion (2018/19) as attached at **Appendix 1** provides an overall summary of the work undertaken for the whole year in relation to the 2018/19 approved Annual Audit Plan.
- 1.2 Internal Audit progress reports are presented to every meeting of the Policy, Finance & Development Committee so Members can be kept up-to-date with Internal Audit work and findings.
- 1.3 The Audit Opinion forms part of the Council's Annual Governance Statement. This report also meets requirements to report on the review of the effectiveness of Internal Audit and to feed results into the Annual Governance Statement.
- 1.4 The Internal Audit opinion states that "significant assurance" can be given that there is a generally sound system of internal control designed to meet the organisations objectives and that controls have generally been applied consistently. However, some weakness in the design and/or inconsistent application of controls could put the achievement of particular objectives at risk that have yet to be addressed. This is highlighted on page 6 of the Internal Audit Annual Report.
- 1.5 Under the Local Government Act 1972, section 151 and the Accounts and Audit (England) Regulations 2011 (as amended), the Council has a responsibility to maintain an adequate and effective Internal Audit function. At Oadby & Wigston Borough Council, this responsibility is delivered by CW Audit Services.
- 1.6 In responding to this requirement, the Internal Audit service works to best practice as set out in the 2006 Code of Practice for Internal Audit in Local Government in the UK which is published by the Chartered Institute of Public Finance and Accountancy (CIPFA).