

NON EXEMPT

**HAVANT BOROUGH COUNCIL**

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**GOVERNANCE, AUDIT AND FINANCE BOARD 12 December 2018**

**INTERNAL AUDIT PROGRESS REPORT 2018-19 (October 2018)**

Head of Southern Internal Audit Partnership

ITEM NO

**FOR DECISION**

**Key Decision: No**

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**1.0 Purpose of Report**

**1.1** The purpose of this paper is to provide the Governance, Audit and Finance Board with an overview of internal audit activity against assurance work completed in accordance with the approved audit plan and to provide an overview of the status of 'live' reports.

**1.2** The role of internal audit is outlined in Section 1 of the Internal Audit Progress Report (Appendix A) and is best summarised through its definition within the Public Sector Internal Audit Standards as:

*'Independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.*

**2.0 Recommendation**

**2.1** That the Governance, Audit and Finance Board note the Internal Audit Progress Report (October 2018) as attached.

**3.0 Summary**

**3.1** Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:

- ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk; and
- undertaking an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control.

- 3.2** In accordance with the Public Sector Internal Audit Standards and the Council's Internal Audit Charter, the Chief Internal Auditor is required to provide a written status report to the Governance and Audit Committee, summarising:

*'communications on the internal audit activity's performance relative to its plan.'*

- 3.3** Appendix 1 summarises the performance of Internal Audit for 2018-19.

## **4.0 Implications**

### **4.1 Resources:**

Internal Audit is provided through the Southern Internal Audit Partnership. The audit plan consists of 380 audit days and remains fluid throughout the year to meet the changing needs of the Council.

### **4.2 Legal:**

Compliance with the Accounts and Audit (England) Regulations 2015.

### **4.3 Strategy:**

Internal audit plays a vital role in helping the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

### **4.4 Risks:**

The audit needs assessment follows a risk based audit approach taking cognisance of the Council's risk register.

### **4.5 Communications:**

None directly from this report.

### **4.6 Customers & Community:**

None directly from this report although improvements to controls and governance arrangements will ensure more efficient and effective service delivery.

### **4.7 Integrated Impact Assessment (IIA):**

n/a

## **5.0 Consultation**

- 5.1** The report has been discussed and noted by the Management Team who met at the Executive Board on 8 November 2018. Appendix A – Section 4 provides details on the status of live reports. There are no overdue actions. Pending, complete and overdue actions will continue to be monitored through Corporate Governance Board and future progress reported to the Executive Board.

Appendices:

**Appendix 1 – Internal Audit Progress Report 2018-19**

Agreed and signed off by:

Legal Services: Lydia Morrison

Finance: Lydia Morrison

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