


## REPORT TO AUDIT AND RISK ASSURANCE COMMITTEE

25 July 2019

<b>Subject:</b>	Internal Audit Annual Report 2018-19
<b>Director:</b>	Executive Director – Resources – Darren Carter
<b>Contribution towards Vision 2030:</b>	
<b>Contact Officer(s):</b>	Peter Farrow Audit Services and Risk Management Manager <a href="mailto:peter_farrow@sandwell.gov.uk">peter_farrow@sandwell.gov.uk</a>

### DECISION RECOMMENDATIONS

**That Audit and Risk Assurance Committee:**

Receives and comments upon the Internal Audit Annual Report 2018-19.

#### 1 PURPOSE OF THE REPORT

- 1.1 The report summarises the areas of work covered by Audit Services during 2018/19.

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1.2 It also provides an opinion on the adequacy and effectiveness of the council's governance, risk management and control processes.

## **2 IMPLICATIONS FOR SANDWELL'S VISION**

2.1 Internal Audit operates across the council and helps it accomplish its vision by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

## **3 BACKGROUND AND MAIN CONSIDERATIONS**

3.1 The main purpose of the report is to provide the Audit and Risk Assurance Committee and the Section 151 Officer with an opinion on the adequacy and effectiveness of the council's governance, risk management and control processes. The contents of the report also provide one element of the evidence that is required to underpin the council's Governance Statement.

3.2 It details the performance of the internal audit service via a series of performance indicators set by the Audit and Risk Assurance Committee, the return of customer satisfaction questionnaires and the internal quality assurance programme.

3.3 It summarises the audit work undertaken during the year in a tabular format. This includes:

- the areas subject to review during the year (Auditable Area)
- the level of risk to the council assigned to each auditable area (high, medium or low)
- the number of recommendations made as a result of each audit review details of other work undertaken outside of the original plan

3.4 Finally, it provides a summary of the key control issues that arose during the year that in the opinion of Audit Services should be brought to the attention of the Audit and Risk Assurance Committee and the Section 151 Officer.

3.5 Where appropriate, the key recommendations made during 2017/18 will be followed up by Audit Services during 2018/19, in order to ensure that they have been satisfactorily implemented. Where, they have not, reasons will be sought for their non-implementation and this will be further reported upon.

## **4 THE CURRENT POSITION**

- 4.1 The report does not require a decision and therefore, no position analysis is necessary.

## **5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

- 5.1 The outcomes of the individual reports have been discussed with the relevant stakeholders and reported to the respective Director.

## **6 ALTERNATIVE OPTIONS**

- 6.1 The report does not require a decision and therefore, alternative options do not need to be considered.

## **7 STRATEGIC RESOURCE IMPLICATIONS**

- 7.1 There are no direct financial and resource implications arising from this report.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 8.1 The Internal Audit service follows the Public Sector Internal Audit Standards and the Code of Ethics that form part of the standards, as laid out in the Internal Audit Charter approved by the Audit and Risk Assurance Committee.

## **9 EQUALITY IMPACT ASSESSMENT**

- 9.1 It was not necessary to undertake an Equality Impact Assessment.

## **10 DATA PROTECTION IMPACT ASSESSMENT**

- 10.1 It was not necessary to undertake a Data Protection Impact Assessment. Data gathered during audit reviews is used and retained in accordance with current legislative requirements.

## **11 CRIME AND DISORDER AND RISK ASSESSMENT**

- 11.1 There are no direct risk implications arising from this report.

## **12 SUSTAINABILITY OF PROPOSALS**

12.1 There are no direct sustainability issues arising from this report.

## **13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

13.1 There are no direct health and wellbeing implications from this report.

## **14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

14.1 There is no direct impact on any council managed property or land from this report.

## **15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

15.1 The purpose of the report is to inform the Audit and Risk Assurance Committee on the work undertaken by Internal Audit during 2018/19. As such, no decision is required.

## **16 BACKGROUND PAPERS**

16.1 The Internal Audit Annual Report for 2018/19.

## **17 APPENDICES:**

None.

**Darren Carter**  
**Executive Director – Resources**