



## Report of: Corporate Director of Resources

Meeting of:	Date:	Ward(s):
Audit Committee	31 <sup>st</sup> January 2019	All

	Non-exempt
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## SUBJECT: INTERNAL AUDIT INTERIM REPORT 2018-19

### 1. Synopsis

- 1.1 The provision of a continuous internal audit service provides independent and objective assurance on the control environment that supports the delivery of the Council's objectives.
- 1.2 This report is intended to support Audit Committee in obtaining assurance that the Council has a sound framework of governance, risk management and internal control. It does this by demonstrating that the Internal Audit plan is being delivered, updating on the performance of the audit function, highlighting service areas where high priority recommendations have been made and commenting on the level of implementation of audit recommendations by management.

### 2. Recommendations

- 2.1 Committee is asked to note the contents of the 2018-19 Internal Audit interim report.

### 3. Background

- 3.1 The 2018-19 Internal Audit Plan was approved by the Audit Committee in March 2018. This report details the outcomes of delivery of the 2018-19 audit plan to date in appendices 1-2, and outcomes of follow up audits in appendix 3. The report also identifies and gives more detail on those areas where the overall assurance statements were less than 'moderate'.

- 3.2 Internal audit projects result in a statement of assurance of either 'substantial', 'moderate', 'limited' or 'no' assurance. These conclusions are based on the number of critical and high priority risks identified in the report. Audit Committee receives details of high priority issues raised in audit reviews which result in 'limited' or 'no' assurance statements.
- 3.3 These statements are indicators of the assurance we can give at the time of the audit and may reflect control design or compliance issues. We are pleased to report a positive response to all final audit reports and there is clear evidence of prompt implementation in relevant cases. Where implementation of recommendations is protracted, Internal Audit provides support to auditees in-year.
- 3.4 Summary details of high priority recommendations are included in appendix 2. Internal Audit has received appropriate management responses to the recommendations made to address these risks.
- 3.5 Committee is advised that there are no matters to report with regard to recommendations that have not been implemented within agreed timescales. Follow up audits on all recommendations arising from our work in 2018-19 will be conducted in 2019-20.

## **4. Implications**

### **4.1 Financial implications:**

There are no specific financial implications associated with this report. The financial implications of individual audit and investigation reports are discussed with managers through the audit reporting protocols.

### **4.2 Legal Implications:**

There are no specific legal implications associated with this report.

### **4.3 Environmental Implications**

There are no environmental implications.

### **4.4 Resident Impact Assessment:**

**Please retain this standard paragraph and add relevant text about specific impacts and mitigation below:**

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment has not been completed because the recommendation being made does not have a direct impact on residents.

## **5. Reason for recommendations**

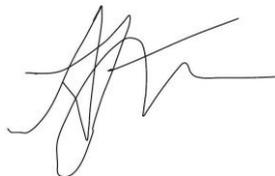
- 5.1 This report indicates the level of work being undertaken by Internal Audit in order to provide assurance over the Council's control environment. Committee is asked to note the contents of the report.

## Appendices

- Appendix 1 provides an update on outcomes of delivery of the 2018-19 audit plan;
- Appendix 2 summarises high priority findings from audit reviews that have attracted a 'limited' or 'no' assurance rating;
- Appendix 3 details the results of the follow up of audit recommendations made previously.

Final report clearance:

**Signed by:**



Date: 11 January 2019

Service Director - Financial and Asset  
Management (S151 officer)

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