

Audit Committee

22 June 2017



Title	Annual Internal Audit Services Review 2016/17		
Purpose of the report	To note		
Report Author	Internal Audit Manager, Punita Talwar		
Cabinet Member	Councillor Howard Williams	Confidential	No
Corporate Priority	Financial Sustainability		
Recommendations	The Audit Committee notes the Internal Audit Annual Review Report for 2016/17.		
Reason for Recommendation	Not Applicable		

1. Key issues

- 1.1 Internal Audit is “*an independent, objective assurance and consulting activity designed to add value and improve an organisation’s 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.*”
- 1.2 Attached at Appendix 1 is a summary of Internal Audit reviews carried out in 2016/17 and details of other work undertaken by the team. Reports were issued during the year to senior managers, and these included recommendations aimed at reducing risks and strengthening internal controls.
- 1.3 In addition to the reviews carried out, Internal Audit assists the organisation in achieving its objectives through other aspects of its work at Spelthorne:
 - (a) Advice provided to services and corporate groups on various risk and control issues
 - (b) Management of counter fraud initiatives
 - (c) Supporting corporate governance arrangements
 - (d) Suspected fraud Investigations
 - (e) Corporate Risk Management – see separate risk report. Audit provides advice to Management Team, Corporate Risk Management Group (CRMG) and co-ordinates the Council’s Corporate Risk Register.

1.4 A progress report was submitted to the Audit Committee in September 2016 detailing work undertaken from April to August 2016. There was a significant period of sickness absence within the team during the second half of 2016/17, which required some reprioritising of the Internal Audit plan.

1.5 The Internal Audit Managers opinion is as follows:

The overall opinion is that the Council's internal control environment is generally adequate and effective. This is based on the work undertaken by Audit Services during 2016/17 which is summarised in this report.

Management has agreed in the majority of cases to address any shortcomings identified by Audit, or accept the associated risks of not doing so. Issues with a significant level of risk attached have been transferred into the Council's Corporate Risk Register for regular monitoring by Management Team and the Audit Committee.

2. Options analysis and proposal

2.1 There are no options.

2.2 Implementation of audit recommendations will reduce risks for the authority. Failure to undertake internal audit work to the required standards would lessen the Council's assurance that effective control systems are in place and could result in an increase in the Council's annual external audit fee.

3. Financial implications

3.1 Not applicable.

4. Other considerations

4.1 There are none.

5. Timetable for implementation

5.1 Not applicable.

Background papers:

Appendices: Appendix 1 – Summary of Internal Audit Work for the year 1 April 2016 – 31 March 2017