

**South Lakeland District Council**  
**Audit Committee**  
**Thursday, 17 September 2020**  
**Internal Audit Progress Report 2019/20**

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<b>Portfolio:</b>	Not applicable
<b>Report from:</b>	Finance Lead Specialist (Section 151 Officer)
<b>Report Author:</b>	Peter Harrison – Internal Audit Manager (Regional Managing Director, TIAA Limited)
<b>Wards:</b>	Corporate Issue
<b>Forward Plan:</b>	Not applicable

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**1.0 Expected Outcome**

1.1 This report provides a summary of the progress in completing the Internal Audit Annual Plan in 2019/20. It provides the Committee with assurance through the individual internal audit reports for work carried out to date.

**2.0 Recommendation**

**2.1 Members of the Audit Committee are asked to note:**

- The progress achieved in 2019/20 in completing the Audit Plan and the outcomes of completed audit reviews set out in **Appendix 1**.
- The attached audit reports at **Appendix 2**.
- Summary progress achieved in implementing recommendations from previous internal audit reviews set out in **Appendix 3**.

**3.0 Background and Proposals**

3.1 All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act. The Accounts and Audit Regulations 2015 require that the Council undertakes an effective Internal Audit to evaluate the effectiveness of its risk management, internal control and governance processes, taking into account the Public Sector Internal Auditing Standards (PSIAS).

3.2 Internal Audit is responsible for providing independent assurance to the Council's senior management and to the Audit Committee on the systems of governance, risk management and internal control.

3.3 It is management's responsibility to establish and maintain internal control systems and to ensure that resources are properly applied, risks appropriately managed and that outcomes are achieved. Management is responsible for the system of internal control and should set in place policies and procedures to ensure that controls are operating effectively.

#### **4.0 Progress against the 2019/20 Internal Audit Plan**

4.1 The Internal Audit Plan was approved by the Committee in April 2019.

4.2 The progress report at Appendix 1 provides the Committee with a summary of the position as at September 2020.

#### **5.0 Audit reports completed in the period**

5.1 Appendix 2 contains the executive summary of the seven audits that were finalised in the period:

- Data Protection Compliance;
- ICT Network Security and Cybercrime;
- Contract Management;
- Customer Connect;
- Main Accounting Systems;
- Leisure Services; and
- Emergency Planning.

#### **6.0 Follow up of internal audit recommendations**

6.1 The latest summary position relating to the implementation of outstanding recommendations is set out in Appendix 3.

#### **7.0 Alternative Options**

7.1 There are no alternative options; the Accounts and Audit Regulations 2015 require that the Council undertakes an effective Internal Audit to evaluate the effectiveness of its risk management, internal control and governance processes, taking into account the Public Sector Internal Auditing Standards (PSIAS).

#### **8.0 Links to Council Priorities**

8.1 Internal Audit provides independent assurance on the Council's arrangements for governance, risk management and internal control in support of delivery of the Council's strategic priorities.

#### **9.0 Implications**

##### **Financial, Resources and Procurement**

9.1 There are no direct financial implications to this report.

##### **Human Resources**

9.2 There are no direct staffing implications arising from this report.

##### **Legal**

9.3 There are no legal implications arising from this report.

##### **Health, Social, Economic and Environmental**

9.4 Have you completed a Health, Social, Economic and Environmental Impact Assessment? No

9.5 If you have not completed an Impact Assessment, please explain your reasons: this report relates to a review of corporate governance and is considered to have no Health, Social, Economic and Environmental impacts.

## Equality and Diversity

- 9.7 Have you completed an Equality Impact Analysis? No
- 9.8 If you have not completed an Impact Assessment, please explain your reasons: this report relates to a review of corporate governance and is considered to have no Equality and Diversity impacts.

## Risk

Risk	Consequence	Controls required
The Council does not comply with legislative requirements as laid out under the Accounts and Audit Regulations 2015.	The Council does not receive adequate assurance over the internal control environment.	Regular progress reporting to senior management and Audit Committee each quarter.

## Contact Officer

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## Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Internal Audit Progress Report
2	Draft Reports – Executive Summaries 2a. Data Protection Compliance 2b. ICT Network Security and Cybercrime 2c. Contract Management 2d. Customer Connect 2e. Main Accounting Systems 2f. Leisure Services 2g. Emergency Planning
3	Summary Follow Up position

## Background Documents Available

Name of Background document	Where it is available
Not applicable	Not Applicable

## Tracking Information

Signed off by	Date sent
Legal Services	N/A
Section 151 Officer	03/09/2020
Monitoring Officer	N/A
SMT	N/A

Circulated to	Date sent
Finance Lead Specialist	03/09/2019
Human Resources Manager	N/A
Communications Team	N/A

<b>Circulated to</b>	<b>Date sent</b>
Leader	N/A
Committee Chairman	N/A
Portfolio Holder	N/A
Ward Councillor(s)	N/A
Committee	17/09/2020
Executive (Cabinet)	N/A
Council	N/A