

**ANNUAL INTERNAL AUDIT REPORT AND OPINION 2018-19**

**1. INTRODUCTION**

- 1.1. The purpose of this report is to provide the Audit Committee with the Chief Internal Auditor's opinion on the adequacy and effectiveness of the Council's framework of risk management, internal control and governance for the year ending 31 March 2019.

**2. SUMMARY**

- 2.1. In accordance with proper internal audit practices, the Chief Internal Auditor is required to provide a written report reviewing the effectiveness of the system of internal control to inform the production of the Annual Governance Statement.
- 2.2. The Annual Report for 2018-19 (attached at Appendix 1) provides the Chief Internal Auditor's opinion on the adequacy and effectiveness the Council's framework of risk management, control and governance processes and summarises audit work from which that opinion is derived for the year ending 31 March 2019.
- 2.3. The Audit Committee's attention is drawn to the following points:
- Internal audit was compliant with the Public Sector Internal Audit Standards during 2018-19;
  - The revised internal audit plan for 2018-19 has been substantially delivered;
  - The Council's framework of governance, risk management and management control is considered to be 'Adequate' and audit testing has demonstrated controls to be working in practice; and
  - Where internal audit work identified areas where management controls could be improved or where systems and laid down procedures were not fully followed, appropriate corrective actions and a timescale for improvement were agreed with the responsible officers.

**3. FINANCIAL IMPLICATIONS**

- 3.1. The audit plan consisted of 470 audit days including 18 audit days provided to the New Forest National Park Authority under the current Service Level Agreement. The Council's budget for 2018-19 reflected these arrangements.

**4. CRIME AND DISORDER IMPLICATIONS**

- 4.1. There are no crime and disorder implications arising directly from this report, however inadequate audit coverage may result in areas of control weakness, unacceptable risks or governance failings as well as the increased potential for error and fraud.

**5. ENVIRONMENTAL MATTERS & EQUALITY AND DIVERSITY IMPLICATIONS**

- 5.1. There are no matters arising directly from this report.

**6. RECOMMENDATION**

- 6.1. The Audit Committee approve the Annual Internal Audit Report and Opinion for 2018-19.

**For Further Information Please Contact:**

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**Background Papers:**

Internal Audit Plan 18-19