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| Harrow Council Logo | |
| REPORT FOR: | GOVERNANCE, AUDIT, RISK MANAGEMENT & STANDARDS COMMITTEE | |
| Date of Meeting: | 21 January 2020 | |
| Subject: | INFORMATION REPORT – Internal Audit and Corporate Anti-fraud Mid-Year Report and Quarter 3 Update 2019/20 | |
| Responsible Officer: | Dawn Calvert – Director of Finance | |
| Exempt: | No | |
| Wards affected: | ALL | |
| Enclosures: | Appendix 1 – Internal Audit Mid-Year and Quarter 3 Update Report 2019/20  Appendix 2 – Corporate Anti-Fraud Team Mid-Year and Quarter 3 Update Report 2019/20 | |

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| Section 1 – Summary and Recommendations |
| This report sets out progress against the 2019/20 Internal Audit and Corporate Anti-Fraud Plan.  **FOR INFORMATION** |

# Section 2 – Report

## Background

2.1. Annually the GARMS Committee considers a mid and full year report from Internal Audit and Corporate Anti-Fraud covering progress against the agreed plans.

**Internal Audit Mid–Year and Quarter 3 Update (Appendix 1)**

2.2. In summary at mid-year Internal Audit have achieved 44% of the 2019/20 annual internal audit plan with a further 16% in progress. This included 100% achievement of the core financial systems reviews all of which were given an amber, amber/green or green assurance rating. 97% of recommendations made to management to improve internal control were agreed for implementation exceeding the 95% target and at the time of follow-up 62% of recommendations previously agreed by management were implemented/substantially implemented, 20% were in progress and 18% were planned.

2.3 Appendix 1 details the key factors at mid-year for the 2019/20 Head of Internal Audit Opinion, provides a summary of all the work undertaken at mid-year and Quarter 3 and the performance of Internal Audit against the agreed key performance indicators at mid-year.

**Corporate Anti-Fraud Report (Appendix 2)**

2.4 Of the 17 work streams contained within the plan, 1(6%) has been achieved, 12 (71%) have commenced and 4 (24%) have yet to commence. In terms of the five 2019/20 performance indicators, 4 (80%) are being achieved with 1 (20%) ongoing.

## Legal Implications

2.5 The Accounts & Audit Regulations 2015:

**Internal audit**

**5.**—(1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

## Financial Implications

2.6 There are no financial implications to this report. The Internal Audit Service and the Corporate Anti-Fraud Service are provided within the set service budgets.

## Risk Management Implications

2.7 There are no risk management implications to this report. Both the Internal Audit Plan and the Corporate Anti-Fraud Plan and any reactive work undertaken are risk based.

## Equalities implications / Public Sector Equality Duty

2.8 There are no equalities implications to this report.

## Council Priorities

2.9 Both the Internal Audit Service and Corporate Anti-Fraud Service contribute to all the corporate priorities by enhancing the robustness of the control environment and governance mechanisms that directly or indirectly support these priorities.

# Section 3 - Statutory Officer Clearance

3.1 As this report is for information only it has been decided that no Statutory Officer Clearance is required.

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| Ward Councillors notified: | **NO** |

# Section 4 - Contact Details and Background Papers

**Contact:** Susan Dixson, Head of Internal Audit & Corporate Anti-Fraud,

Tel: 0208 424 1420

Justin Phillips, Corporate Anti-Fraud Service Manager

Tel: 0208 424 1609

**Background Papers**: None