



South Downs

National Park Authority

**Agenda Item 9
Report PR19/19**

Report to	Policy & Resources Committee
Date	06 June 2019
By	Internal Auditor
Title of Report Note	Internal Audit – Annual Report and Opinion for 2018/19

Recommendation: The Committee is recommended to note the content of the report, specifically the:

- 1. Internal Audit Annual Report, and**
- 2. Opinion for 2018/19**

1. Introduction

1.1 This report presents the Internal Audit Annual Report and Opinion for 2018/19 and includes:

- The annual opinion on the adequacy and effectiveness of SDNPA's internal control environment;
- A summary of audit coverage and outcomes for 2018/19, and
- Performance against key indicators.

1.2 This opinion contributes to the annual review of governance arrangements and the production of the Annual Governance Statement.

2. Policy Context

2.1 The Accounts and Audit Regulations require that 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*".

2.2 Under this committee's Terms of Reference to "*meet the requirements of the Accounts and Audit Regulations 2015 in respect of: conducting an annual review of the effectiveness of internal audit*" a Member survey was undertaken which concluded that internal audit was effective and carried out with:

- integrity, competence and professional care;
- independence and objectivity;
- alignment with strategies, objectives and risks of SDNPA;
- appropriate position and adequate resourcing;
- quality and continuous improvement;
- effective communication;

3. Issues for consideration

- 3.1 The 2018/19 Internal Audit plan was approved by this committee at its meeting in April 2018. It included seven specific audit reviews. All reviews were completed by the year end. There were no amendments or variations to the plan made during the year. Our Annual Report is attached at **Appendix I**.
- 3.2 Based upon the internal audit work undertaken, our overall opinion is that **Substantial Assurance** can be provided, that an effective system of internal control is in place at SDNPA for the year ended 31 March 2019.

4. Other Implications

Implication	Yes/No
Will further decisions be required by another committee/full authority?	No
Does the proposal raise any Resource implications?	No. The Internal Audit plan should be delivered within the agreed audit fee.
How does the proposal represent Value for Money?	The Internal Audit Service is an external contract with Brighton & Hove City Council which formed part of a wider procurement of financial services.
Are there any Social Value implications arising from the proposal?	No
Have you taken regard of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010?	Any such considerations are taken into account within individual audit reviews as appropriate.
Are there any Human Rights implications arising from the proposal?	No
Are there any Crime & Disorder implications arising from the proposal?	No, but the service includes the provision of advice and investigation of frauds and irregularities when required.
Are there any Health & Safety implications arising from the proposal?	No, but individual audits consider health and safety risks where appropriate.
Are there any Data Protection implications?	No, but individual audits consider GDPR issues where appropriate.
Are there any Sustainability implications based on the 5 principles set out in the SDNPA Sustainability Strategy:	No, but individual audits consider these principles where relevant, particularly around the Principle 4, "Promoting good governance"

5. Risks Associated with the Proposed Decision

- 5.1 Internal Audit has an important role to play in relation to effective risk management for the organisation. The SDNPA risk register is considered when developing the Internal Audit Strategy and Plan and the planning of individual audit reviews. Audit review and testing of controls are orientated towards these risks plus the operational controls within individual systems and services.

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South Downs National Park Authority

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Appendices:	1. Internal Audit Annual Report and Opinion 2018/19
SDNPA Consultees	Chief Executive; Director of Countryside Policy and Management; Director of Planning; Chief Finance Officer; Monitoring Officer; Legal Services, Head of Governance; Business Service Manager.
External Consultees	None
Background Documents	None

