

6. INTERNAL AUDIT 2014/15 ANNUAL REPORT (A1362/7/ PN)

Purpose of the report

1. This report asks Members to consider the internal audit 2014/15 annual report.

Key issues include:

- The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating in the Authority is that it provides Substantial Assurance. There are no qualifications to this opinion and no reliance was placed on the work of other assurance bodies in reaching that opinion. There are also no significant control weaknesses which, in the opinion of the Head of Internal Audit need to be considered for inclusion in the Annual Governance Statement.
- Out of 8 areas reviewed in 2014/15 4 areas received an opinion of 'High' assurance; 2 "Substantial", 1 "Reasonable" and 1 "Limited".

Recommendations

2. **1. That the 2014/15 annual report from the internal auditors at Appendix 1 be considered and accepted.**

How does this contribute to our policies and legal obligations?

3. As identified in the Annual Governance Statement, the Internal Audit process is regarded as an important part of the overall internal controls operated by the Authority contributing to corporate objective 11 "be a well run public body with proportionate and effective ways of working, delivering excellent customer service and living our values".

Background

4. The Accounts and Audit Regulations 2011 require that the Authority undertakes an adequate and effective system of internal audit of its accounting records and its system of internal control in accordance with proper practices.

Proposals

5. Members are asked to consider the internal audit 2014/15 annual report. The report contains the Head of Internal Audit's overall assurance opinion, and a summary of the key findings in each area audited during the year. Appendix D is the 2014 result of Veritau's Quality Assurance and Improvement Programme, which is a requirement of the new Public Sector Internal Audit Standard, and is reported for Members' information.

Are there any corporate implications members should be concerned about?

6. Financial:

The cost of the Internal Audit Service contract is found from within the overall Finance budget.

7. Risk Management:

The Internal Audit process is regarded as an important part of the overall internal controls operated by the Authority.

8. Sustainability:

There are no implications to identify.

9. **Background papers** (not previously published) – None

Appendices

Appendix 1: Internal Audit annual report for year ended March 2015

Report Author, Job Title and Publication Date

Philip Naylor, Head of Finance, 14 May 2015