

13 June 2018

Agenda Item: 15

REPORT OF SERVICE DIRECTOR, FINANCE, PROCUREMENT & IMPROVEMENT

INTERNAL AUDIT ANNUAL REPORT 2017-18

Purpose of the Report

1. To inform Members of the Head of Internal Audit's Annual Report on the work carried out by Internal Audit in 2017/18, and based on this work, his opinion on the adequacy of the County Council's internal control environment.

Information

2. The Authority has a statutory responsibility to undertake an adequate and effective internal audit of the County Council's operations. This responsibility is discharged by the Internal Audit Service which has unrestricted access to all activities undertaken by the County Council.
3. The Audit Service worked to the Public Sector Internal Audit Standards (PSIAS) during 2016/17. One requirement of the standards is that the Head of Internal Audit should provide an annual, written report to those charged with governance. The report must:-
 - a) deliver an annual internal audit opinion that can be used by the organisation to inform its governance statement
 - b) conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control
 - c) incorporate the opinion, a summary of the work that supports that opinion, and a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.
4. The Head of Internal Audit has set out the work completed during 2017/18, provided an analysis of the Audit Opinions reached in individual audits during the year, identified all those reports where the Opinion was that the level of internal control was for limited assurance, and come to a conclusion on the overall system of internal control.
5. The Head of Internal Audit's conclusion is that the **overall system of internal control was satisfactory during 2017/18.**
6. The Annual Report also sets out an analysis of the Audit Section's performance during 2017/18. The service achieved many of its service delivery targets, and it is of particular note

this year that the service received an excellent outcome from its external quality assessment. This confirms a high degree of compliance with the required standards, and confirms that appropriate actions are being taken to improve the service further.

Other Options Considered

7. The Internal Audit Section worked to the Public Sector Internal Audit Standards during 2017/18. This report meets the requirement of the Standards to provide an Annual Report. No other option was considered.

Reason for Recommendation

8. To set out the Annual Report of the Head of Internal Audit for 2017/18.

Statutory and Policy Implications

9. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION

- 1) Arising from the content of this report, Members determine whether they wish to see any actions put in place or follow-up reports brought to a future meeting.

Nigel Stevenson

Service Director – Finance, Procurement & Improvement

For any enquiries about this report please contact:

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Constitutional Comments (KK 14/5/18)

10. The proposal in this report is within the remit of the Governance and Ethics Committee.

Financial Comments (SES 15/05/18)

11. There are no specific financial implications arising directly from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All