

Subject:	Annual Internal Audit Report 2014/15	Status:	For Publication
Report to:	Audit and Accounts Committee	Date:	30 th June 2015
Report of:	Chief Internal Auditor	Portfolio Holder:	Resources and Performance
Key Decision:	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
Contact Officer:	Ruth Lowry – Chief Internal Auditor	Telephone:	01772 534898
Email:	Ruth.Lowry@lancashire.gov.uk		

1.	RECOMMENDATION(S)
1.1	Members are asked to consider the Annual Internal Audit Report of the Chief Internal Auditor for the year ended 31 March 2015.

2. PURPOSE OF REPORT

- 2.1 The Audit and Accounts Committee's terms of reference require it to advise the Council on the planned activity and results of internal audit. The Committee will, on a periodic basis, consider the Chief Internal Auditor's annual opinion and report.

3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **Responsive Value for Money Services:** This priority is about the Council working collaboratively, being a provider, procurer and a commissioner of services that are efficient and that meet the needs of local people.
 - **Clean Green Rossendale:** This priority focuses on clean streets and town centres and well managed open spaces, whilst recognising that the Council has to work with communities and as a partner to deliver this ambition.

4. RISK ASSESSMENT IMPLICATIONS

- 4.1 All the issues raised and the actions agreed in this report involve risk considerations as set out below:
- Failure to comply with the Public Sector Internal Audit Standards issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) would undermine confidence in the unit and its ability to provide the Council with the necessary level of assurance in relation to their business risks;
 - The report ensures the Council is able to progress in matters of Financial Management;
 - The report enables the Leader and Chief Executive to report in the Annual Governance Statement.

5. BACKGROUND AND OPTIONS

- 5.1 The Internal Audit Service complies with the professional standards of the Chartered Institute of Public Finance and Accountancy, which established Public Sector Internal Audit Standards with effect from 1 April 2013. These are drawn from the Chartered Institute of Internal Auditors' International Professional Practices Framework, comprising a definition of internal auditing, a Code of Ethics, and International Standards.

- 5.2 The Public Sector Internal Audit Standards and supporting Local Government Application

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Note require the Chief Internal Auditor to deliver an annual opinion and report. The opinion should address the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control and should be used to inform the governance statement. The annual internal audit report must incorporate the opinion, a summary of the work that supports that opinion, a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

5.3 The Annual Report of the Chief Internal Auditor meets these requirements and is attached in Appendix A.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

6.1 Any financial implications arising are noted in the report.

7. MONITORING OFFICER

7.1 Any legal implications are commented upon in the report.

8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

8.1 Any policy implications are commented upon in the report.

9. CONCLUSION

9.1 The Annual Report provides an independent and objective opinion on the adequacy of the Council’s systems of governance, risk management and internal control.

9.2 On the basis of the programme of work for the year, the Chief Internal Auditor is able to provide substantial assurance over the internal control environment and governance arrangements for 2014/15. Weaknesses have however been identified in relation to the risk identification process and accordingly only limited assurance can be provided in relation to the council's risk management arrangements.

Background Papers

Document	Place of Inspection
Accounts and Audit (England) Regulations 2015 – Statutory Instrument 234	Financial Services
Public Sector Internal Audit Standards, CIPFA 2013	Financial Services