

**REPORT TO THE GOVERNANCE & AUDIT COMMITTEE
MEETING OF 14th July 2015**

Status: For consideration / discussion
Title: Internal Audit - Annual Report 2014/15
Originator: Rachel Ashley-Caunt – Head of Internal Audit, Welland Internal Audit Consortium.
Where from: SMT

Objective: To provide Members with the Annual Assurance Opinion on the Council's control environment for 2014/15 and the basis for this opinion.

To provide Members with details on the performance of the Internal Audit service during 2014/15.

1. Outcome sought from committee

1.1 Members receive and note the Annual Internal Audit Report and Assurance Opinion for 2014/15.

2 Background

2.1 The Public Sector Internal Audit Standards (the Standards) require the Head of Internal Audit to provide an Annual Internal Audit report and opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework (i.e. the control environment) that can be used by the organisation to inform its Annual Governance Statement. This report provides a copy of the Annual Report which contains the annual opinion and the basis for this, for the Committee's attention.

3 Internal Audit Opinion 2014/15

3.1 Based upon the work undertaken by Internal Audit during 2014/15, the Head of Internal Audit's overall opinion on the Council's control environment is that Sufficient Assurance can be given that there is generally a sound system of internal control, designed to meet the organisation's objectives and that controls are generally operating effectively in practice. However, no systems of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.

3.2 Appendix A to this report provides a copy of the Annual Report which includes the Head of Internal Audit's opinion on the Council's control framework for 2014/15 and the basis for this opinion. The opinion is derived from an assessment of the range of individual opinions arising from assignments from the risk-based Internal Audit plan that have been undertaken throughout the year. This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing any control weaknesses.

4 Internal Audit Performance

4.1 The report in Appendix A includes details of the delivery of the Internal Audit Plan for 2014/15 and achievement of the service's performance indicators. The team has delivered 100% of the assignments from the agreed Internal Audit Plan for 2014/15. The Contract Management assignment is being delivered as an 'embedded assurance' review and will continue in 2015/16 to coincide with and support the Council's waste management review.

4.2 Included within the report is an assessment of the Internal Audit service against the Public Sector Internal Audit Standards. This concludes that the Internal Audit Consortium operates in general conformance with the Standards.

5 Equality Impact Assessment

5.1 Not applicable in this context.

6 Conclusion

6.1 This report provides the Internal Audit Annual Assurance Opinion of the Council's control environment and details of the work completed by the Internal Audit service during 2014/15.

7 Recommendations

7.1 Members receive and note the Annual Internal Audit Report and Assurance Opinion for 2014/15.
