
REPORT TO THE GOVERNANCE & AUDIT COMMITTEE
MEETING ON: 24th July 2019

Status: For information & decision
Title: Internal Audit – Annual Report and Assurance Opinion 2018/19
Originator: Rachel Ashley-Caunt – Head of Internal Audit
Where from: CMT / LGSS Internal Audit
Where to next: N/A

1 Outcome Sought from Committee

1.1 Members receive and note the Annual Internal Audit Report and Assurance Opinion for 2018/19.

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 Assurance Opinion 2018/19

3.1 Based upon the work undertaken by Internal Audit during 2018/19, the Head of Internal Audit's overall opinion on the Council's control environment is that Satisfactory 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 2018/19 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 2018/19 and achievement of the service's performance indicators. The team had delivered 100% of the agreed assignments from the Internal Audit Plan by the end of March 2019.

4.2 The annual self assessment of the Internal Audit service against the Public Sector Internal Audit Standards has concluded that the Internal Audit service operates in general conformance with the Standards. LGSS Internal Audit was also subject to an external assessment in 2016/17.

4 Equality Impact Assessment

5.1 Not applicable in this context.

6 Conclusions

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 2018/19.

Previous report(s): N/A

Information Issued Under Sensitive Issue Procedure: N

Ward Members Notified: N

Appendices:

A. Internal Audit Annual Report 2018/19