

Meeting:	Audit and governance committee
Meeting date:	4 July 2016
Title of report:	Internal audit annual report and opinion 2015/16
Report by:	Internal audit – South West Audit Partnership (SWAP)

Classification

Open

Wards affected

County-wide

Purpose

The purpose of this report is to provide a summary of the internal audit work undertaken in 2015/16 and the overall internal audit opinion based on this work.

Recommendation

That, subject to any comments the audit and governance committee wishes to make, the report be noted.

Alternative options

- 1 This summary of the findings of internal audit and the opinion are not matters which the committee may alter.
- 2 It is open to the committee to recommend that any areas of risk identified within this report be considered for inclusion in the future work plan of the committee or of internal audit.

Reasons for recommendations

- 3 To ensure compliance with good practice as set out in the Public Sector Internal Audit Standards (PSIAS), and to inform the annual governance assurance process.

Key considerations

- 4 The annual report is required to ensure that the committee is informed of the internal audit work undertaken in 2015/16.
- 5 The report also provides an overall opinion, reached in light of the work undertaken, on the adequacy and effectiveness of the council's governance, risk management and control processes.
- 6 Sufficient internal audit work has been carried out to enable the SWAP director to draw a reasonable conclusion about the adequacy and effectiveness of the council's risk management, control and governance processes.
- 7 In the opinion of the SWAP director, and having considered the balance of audit work, the assurance levels provided and outcomes together with the response from senior management and the audit and governance committee the SWAP director can offer 'reasonable assurance' in respect of the areas reviewed during the year, as most were found to be adequately controlled. Generally risks are well managed but some areas require the introduction or improvement of internal controls to ensure the achievement of objectives. Where this is the case, there has been a positive response to ensuring that action is taken to improve the adequacy of controls.

Community impact

- 8 A robust internal audit function supports the council achieving its corporate plan priority to secure better services, quality of life and value for money by informing improvement activity. It also helps the council to demonstrate compliance with its code of corporate governance.

Equality duty

- 9 There are no equality duty implications arising from the recommendations.

Financial implications

- 10 There are no direct financial implications arising from the recommendations.

Legal implications

- 11 The Accounts and Audit Regulations (England) 2011 require public authorities to publish an annual governance statement. The statement is an annual review of the systems of internal control and gathers assurance from various sources to support it. These sources include the work of internal audit.

Risk management

- 12 There is a risk that the level of work required to give an opinion on the council's systems of internal control is not achieved. This is mitigated by the regular active management and monitoring of progress against the agreed internal audit plan.

Consultees

- 13 None.

Appendices

Appendix A – Annual Report and Opinion 2015-16

Background papers

None identified.