

GOVERNANCE COMMITTEE**29th JUNE 2015****REPORT OF HEAD OF WELLAND INTERNAL AUDIT CONSORTIUM****ANNUAL INTERNAL AUDIT REPORT 2014/15****1.0 PURPOSE OF REPORT**

1.1 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.

2.0 RECOMMENDATIONS

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

3.0 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.

4.0 INTERNAL AUDIT PERFORMANCE

4.1 The report 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 Internal Audit Plan for 2014/15 and the number of days delivered has exceeded that commissioned by the Council for the year, mostly due to the completion of assignments which remained outstanding from the Internal Audit Plan for 2013/14.

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.

5.0 POLICY AND CORPORATE IMPLICATIONS

5.1 The annual Internal Audit report should provide the Committee with independent assurance over the quality of the Council's internal control framework.

6.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

6.1 There are no financial or other resource implications arising directly from this report.

7.0 **LEGAL IMPLICATIONS/POWERS**

7.1 There are no legal implications arising directly from this report

8.0 **COMMUNITY SAFETY**

8.1 There are no community safety implications arising directly from this report.

9.0 **EQUALITIES**

9.1 There are no equalities implications arising directly from this report.

10.0 **RISKS**

10.1 The annual Internal Audit report forms part of the evidence that supports the Council's Annual Governance Statement and provides assurance over the adequacy and effectiveness of the Council's internal controls to manage the key risks and inform risk management arrangements.

11.0 **CLIMATE CHANGE**

11.1 There are no climate change implications arising directly from this report.

12.0 **CONSULTATION**

12.1 N/A

13.0 **WARDS AFFECTED**

13.1 All wards are indirectly affected by the report.

Contact Officer Rachel Ashley-Caunt
Date: 29th June 2015

Appendices : 1

Background Papers: N/A

Reference : N/A