

## Regulatory and Other Committee

### Open Report on behalf of Pete Moore, Executive Director – Finance and Public Protection

Report to:	<b>Audit Committee</b>
Date:	<b>20 July 2015</b>
Subject:	<b>Internal Audit Annual Report - 2014/15</b>

#### Summary:

This report gives the Head of Internal Audit opinion on the adequacy the Council's governance, risk and control environment and delivery of the Internal Audit Plan for 2014/15.

#### Recommendation(s):

That the Committee consider the content of the Audit and Risk Manager's Head of Internal Audit Annual Report and any actions it may wish to make.

#### Background

1. The Annual Internal Audit Report aims to present a summary of the audit work undertaken over the past year. In particular:
  - Include an opinion on the overall adequacy of and effectiveness of the governance framework and internal control system and the extent to which the Council can rely on it;
  - Inform how the plan was discharged and of overall outcomes of the work undertaken;
  - Draw attention to any issues particularly relevant to the Annual Governance Statement.
2. The detailed report is attached in Appendix A.

#### Conclusion

3. Our internal audit service continues to work with the Audit Committee and Management to help the Council maintain effective governance, risk and control processes.
4. During 2013/14 there have been a number of areas where we have identified the need for improved compliance and strengthening of the control processes. In forming my opinion I have also drawn upon other assurance

intelligence in the Council. Taking all the information into account - I have assessed the:

- governance, risk and control processes of the Council as **amber** – performing adequately with some improvements required, and
  - the financial control environment as **amber** – performing well with some improvements required
5. The content of the Internal Audit Annual report has also informed the development of the Councils' Annual Governance Statement 2015 – due to be presented to this Committee.
  6. We have also delivered 99% of the revised audit plan to agreed performance of 100% target.
  7. Audit Lincolnshire conforms to the UK Public Sector Internal Audit Standards and has been assessed as providing an 'effective' internal audit function to the Council.
  8. We continually seek opportunities to improve our service to the Council and our quality assurance framework identified the following areas of improvement:
    - Obtain and share counter fraud risk assessment
    - Review practice manual
    - Ensuring contemporary reporting.
    - More effective client liaison arrangements with Senior Management Team.
    - Implement upgrade to audit software
    - Report writing
    - Further develop Audit Lincolnshire collaboration.
  9. A quality assurance improvement plan is in place to help us continually improve and develop

## **Consultation**

### **a) Policy Proofing Actions Required**

Not applicable

## **Appendices**

These are listed below and attached at the back of the report	
Appendix A	Internal Audit Annual Report - 2014/15

## Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Internal Audit Annual Plan -2014/15	Audit Committee minutes and papers
Internal Audit progress reports	Audit Committee minutes and papers

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