

Corporate Governance and Standards Committee Report

Report of Chief Internal Auditor

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Head of Internal Audit Opinion

Recommendation

That the Committee notes the contents of this report and consider the Head of Corporate Development's annual opinion in Appendix 1.

Reason for Recommendation:

To comply with The Chartered Institute for Public Finance and Accountancy Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 and the Public Sector Internal Audit Standards.

1. Purpose of Report

- 1.1 The purpose of this report is to provide assurance on the standards of governance and control that were operating in 2014-15.

2. Strategic Framework

- 2.1 The audit of the Council's services support the priority of providing efficient, cost effective and relevant quality public services that give the community value for money.

3. Background

- 3.1 The Chartered Institute for Public Finance and Accountancy Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 (The CIPFA Code) established the expected professional standards for internal audit in local government. The CIPFA Code sets out the requirements for the Head of Internal Audit to give his opinion on the effectiveness of the system of internal control as well as risk management and governance arrangements to members of the Audit and Corporate Governance Committee.

- 3.2 The annual opinion is part of our governance framework and informs the Annual Governance Statement. In addition, during the year, we report to the Corporate Governance and Standards Committee on the activities of Internal Audit to fulfil the requirements of the Accounts and Audit Regulations, the CIPFA Code of Practice (2006) and the new Public Sector Internal Audit Standards, which came into force on 1 April 2013. The Chief Internal Auditor's opinion is attached in Appendix1.
- 3.3 We base internal audit work a risk assessment, which we update after each audit. In 2014-15, there was evidence of sound controls and with the exception of a small number of medium risks control issues there was substantial and reasonable assurance on our major financial systems.
- 3.4 This report provides the Chief Internal Auditor's opinion on the adequacy and effectiveness of the Council's internal control arrangements for the year April 2014 to March 2015.

4. Financial Implications

- 4.1 None.

5. Legal Implications

- 5.1 None.

6. Human Resource Implications

- 6.1 None.

7. Conclusion

- 7.1 The Council has a sound system of internal control but we are changing as an organisation. This brings its own risks. Changes in roles and responsibilities always increase the risk of system, control breakdown, and although the Council is well placed to respond to future challenges we have to be aware of the risks. We have worked with management to identify the potential risks and incorporate them in the audit plan for 2014 - 15.

8. Background Papers

None.

9. Appendices

Head of Internal Audit Opinion