

ANNUAL SELF-ASSESSMENT REVIEW OF THE EFFECTIVENESS OF THE INTERNAL AUDIT SERVICE 2017/18

Audit Committee - 19 July 2018

Report of: Chief Finance Officer

Status: For Consideration

Key Decision: No

This report supports the Key Aim of Effective Management of Council Resources

Portfolio Holder Cllr. John Scholey

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Recommendation to Audit Committee: That Members note the conclusion of the Annual Self-Assessment Review of the Effectiveness of the Internal Audit Service 2017/18, that the Council had an adequate and effective Internal Audit service, which contributes towards the proper, economic and effective use of resources in achieving its objective.

Introduction & Background

- 1 In compliance with Regulation 6.1 of the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards 2016 an annual review of the effectiveness of the Internal Audit function is carried out, using standard guidance and a template obtained from the Institute of Internal Auditors. This report sets out the outcome of the process and the conclusions drawn from it. The results from this process also feed into the Internal Audit Manager's Annual Report and the Council's Annual Governance Statement. The outcome of this review was sent to the Council's Strategic Management Team for consideration and approval.

Summary of Issues Raised Within the Report

- 2 Appendix A sets out a summary of the self-assessment. The process involved the completion of the self-assessment checklist by the Chief Finance Officer, in order to assess compliance with the Public Sector Internal Audit Standards 2016. It is to note that the Internal Audit Team are "Generally Compliant" with 89% of the standard (82% in 2016/17). An action plan has been devised which highlights the areas for improvement.

Results of the Self-assessment of Internal Audit

- 3 Following the assessment, the Chief Finance Officer's opinion, is that the Council's arrangements in place for Internal Audit in 2017/18 were substantially compliant with the 2016 PSIAS. Audit Management are aware of any deficiencies and areas identified for improvement will be addressed as part of the Internal Audit Service Development Plan for 2018/19.

Key Implications

Financial

This report has no financial implications.

Legal Implications and Risk Assessment Statement

The review of the effectiveness of the Internal Audit function is a regulatory requirement designed to ensure that the service is effective in carrying out its statutory duties aimed at strengthening internal control, risk management and governance processes within the Council, including the minimisation of fraud risks. The outcome of the self-assessment indicates that the service is substantially compliant and that areas for further development are being addressed.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Conclusion

The Chief Finance Officer's opinion therefore is that the Council's arrangements in place for Internal Audit, in 2017/18 were substantially compliant with the 2016 PSIAS.

Appendices

Appendix A - Summary Self-Assessment Checklist

Background Papers:

[The Accounts and Audit \(England\) Regulations 2015](#)

[Public Sector Internal Audit Standards.](#)

Self-Assessment Checklist

Adrian Rowbotham
Chief Finance Officer