



<b>Title</b>	Internal Audit Annual Report 2016/17
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<b>Service Area</b>	Finance
<b>Wards of the District directly affected</b>	Not applicable
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b>	No
<b>Date and meeting when issue was last considered and relevant minute number</b>	Finance & Audit Scrutiny Committee – 1 June 2016
<b>Background Papers</b>	Accounts and Audit (England) Regulations 2015 Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE 2007) Delivering Good Governance in Local Government: Framework (Addendum) (CIPFA/SOLACE 2012) Delivering Good Governance in Local Government: Framework and Guidance Note for English Authorities (CIPFA/SOLACE 2012) The Annual Governance Statement – Rough Guide for Practitioners (CIPFA Financial Advisory Network) Internal Audit Reports Public Sector Internal Audit Standards Quarterly Progress Reports Post-audit client questionnaires and satisfaction surveys

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	N/A: no direct service implications

<b>Officer/Councillor Approval</b>		
With regard to officer approval all reports <i>must</i> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive	10 May 2017	Chris Elliott
Section 151 Officer	10 May 2017	Mike Snow
Monitoring Officer	10 May 2017	Andrew Jones
Finance	10 May 2017	As Section 151 Officer
Leader of the Council	10 May 2017	Councillor Mobbs
Portfolio Holder	10 May 2017	Councillor Whiting
<b>Consultation and Community Engagement</b>		

Consultation with members and officers listed above.	
<b>Final Decision?</b>	Yes
<b>Suggested next steps (if not final decision please set out below)</b>	

## 1 **Summary**

- 1.1 Forming part of the evidence for the Annual Governance Statement, the Internal Audit Annual Report presents a summary of the internal work undertaken during 2016/17 and provides a conclusion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

## 2 **Recommendation**

- 2.1 That this Committee considers the Annual Report of Internal Audit for the year ended 31 March 2017 as part of its consideration and approval of the Annual Governance Statement 2016/17.

## 3 **Reason for the Recommendations**

- 3.1 The Public Sector Internal Audit Standards require that "The 'chief audit executive' must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement."

## 4 **Policy Framework**

- 4.1 Although there are no direct policy implications, Internal Audit provides a view on all aspects of governance and will take into account the Policy Framework, Community Plan and the Council's policies.

## 5 **Budgetary Framework**

- 5.1 Although there are no direct budgetary implications arising from this report, Internal Audit provides a view on all aspects of governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.

## 6 **Risks**

- 6.1 Risk management is an intrinsic element of corporate governance of which this report is concerned.

## 7 **Alternative Option(s) Considered**

- 7.1 This report does not involve recommending a particular option in preference to others so this section is not applicable.

## 8 **Background to the Annual Governance Statement & Requirement for Internal Audit Annual Report**

- 8.1 The Public Sector Internal Audit Standards state:

*The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.*

*The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.*

*The annual report must incorporate:*

- *the opinion;*
- *a summary of the work that supports the opinion; and*
- *a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.*

8.4 The Annual Report is set out as Appendix 1.