

Audit and Governance Committee
Meeting to be held on 24 June 2013

Electoral Division affected: All

Internal Audit annual report to Lancashire County Council for 2012/13
(Appendix A refers)

Contact for further information:

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Executive Summary

The annual report to Lancashire County Council is included at Appendix A to this report.

The opinion given in the report states that “I can provide substantial assurance that there is generally sound system of internal control, adequately designed to meet the council's objectives, and controls are generally being applied consistently.”

However there are matters that put the achievement of the council's objectives at risk and these have been discussed with members of the Management Team.

Recommendation

The Committee is asked to consider the internal audit annual report for 2012/13.

Background

The Internal Audit Service complies with the professional standards of the Chartered Institute of Public Finance and Accountancy, which has established Public Sector Internal Audit Standards with effect from 1 April 2013. These are drawn from the Chartered Institute of Internal Auditors' International Professional Practices Framework, comprising a definition of internal auditing, a Code of Ethics, and International Standards.

The Public Sector Internal Audit Standards and supporting Application Note require a chief internal auditor to deliver an annual internal audit opinion and report that can be used to inform the council's 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, a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

Background and advice

The work on which this report is based is in accordance with the annual internal audit

plan agreed by the Audit Committee on 26 March 2012, and has been reported in progress reports to each meeting of the Audit Committee during 2012/13.

Consultations

Not applicable.

Implications

Not applicable.

Risk management

This report supports the Audit and Governance Committee in undertaking its role, which includes advising the Council on the adequacy of its risk management processes.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Ext
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Reason for inclusion in Part II, if appropriate:

Not appropriate.