

## **Audit and Governance Committee**

Meeting to be held on 30 June 2015

Electoral Division affected: All
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### **Internal Audit Service annual report to Lancashire County Council for 2014/15**

(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 Committee has considered periodic reports of progress throughout the year, and is aware that the provisional plan it approved in June 2014 was amended at management's direction in September 2014.

#### **Recommendation**

The Committee is asked to consider the Internal Audit Service annual report for 2014/15.

#### **Background and advice**

The Internal Audit Service aims to comply with the professional standards of the Chartered Institute of Public Finance and Accountancy, which 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 Local Government Application Note require a chief internal auditor to deliver an annual internal audit opinion and report. The opinion should address the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control and should be used to inform the council's governance statement. The annual internal audit 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 a quality assurance and improvement programme.

In light of the exceptional circumstances of the last two years, which are expected to continue into 2015/16, the Internal Audit Service has been unable to complete a risk-based programme of work to support an opinion on the council's overall framework of governance, risk management and control, and is also

therefore unable to comply with the requirements of the Public Sector Internal Audit Standards.

**Consultations**

N/A

**Implications**

This item has the following implications, as indicated:

**Risk management**

This report supports the Audit and Governance Committee in undertaking its role, which includes providing independent oversight of the adequacy of the council's governance, risk management and internal control framework.

**Local Government (Access to Information) Act 1985**

**List of Background Papers**

	Date	Contact/Service/Tel
Paper		
N/A		

**Reason for inclusion in Part II, if appropriate:**

N/A