

Audit and Governance Committee

Meeting to be held on Monday, 9 May 2016

Electoral Division affected:
(All Divisions);

Internal Audit annual report

(Appendix A refers)

Contact for further information:

Ruth Lowry, Head of Service – Internal Audit,
ruth.lowry@lancashire.gov.uk

Executive Summary

This report provides an update on the progress made on the audit work undertaken for the county council during 2015/16, and gives an indication of the planned improvements that the council may wish to reflect in its annual governance statement.

Recommendation

The committee is asked to consider and note the report.

Background and Advice

In June 2015 the Audit and Governance Committee considered the *Annual report of the Head of Internal Audit for the year ended 31 March 2015* which noted that the Internal Audit Service would not be able to undertake a sufficient breadth of work to support an overall audit opinion in 2015/16. This was largely because the focus of the Service would be work to support management and because a number of members of the team were seconded into Finance to support key transformation projects. In approving the *Strategic internal audit plan: 2015/16, 2016/17 and beyond* in January 2016 the Committee were informed that for 2015/16, the Internal Audit Service would focus its assurance work solely on the council's centrally managed key financial systems. The decision to refocus the resources of the Internal Audit Service during 2015/16 was taken in the context of the significant challenges facing the council, the need for resources to respond to these challenges, and in light of the council's recognition that improvements were required to its risk management, control and governance framework. Since the administration and senior management team are aware that controls require strengthening and are working to achieve those improvements, the Annual Governance Statement will reflect only management's own assurances and those provided by external organisations, such as Ofsted, where such assurance is available.

This report therefore provides an update on the progress made on the audits of the centrally managed key financial systems, and the outcomes where appropriate. It

also provides an indication of the planned improvements that the council may wish to reflect in its annual governance statement.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

This report supports the Audit 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/Tel |
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Reason for inclusion in Part II, if appropriate

N/A