

# Audit Committee

25 June 2015



<b>Title</b>	Internal Audit Annual Report 2014/15		
<b>Purpose of the report</b>	To note		
<b>Report Author</b>	Deanna Harris – Head of Audit		
<b>Cabinet Member</b>	Councillor Tim Evans	<b>Confidential</b>	No
<b>Corporate Priority</b>	Value for money Council		
<b>Cabinet Values</b>	Accountability		
<b>Recommendations</b>	The Audit Committee notes the Internal Audit Annual Report		

## 1. Key issues

- 1.1 Internal Audit is “*an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.*”
- 1.2 Attached at Appendix 1 is a summary of Internal Audit reviews carried out in 2014/15 and details of other work undertaken by the team. Reports were issued during the year to senior managers, and these included recommendations aimed at reducing risks and strengthening internal controls.
- 1.3 In addition to the statutory reviews carried out, Internal Audit assists the organisation in achieving its objectives through other aspects of its work at Spelthorne:
  - (a) Advice provided to services and corporate groups on various risk and control issues
  - (b) Management of counter fraud initiatives
  - (c) Supporting corporate governance arrangements
  - (d) Non audit Investigations – the Audit team carries out investigations on behalf of management.
  - (e) Corporate Risk Management – see separate risk report. Audit provides advice to Management Team, Corporate Risk Management Group (CRMG) and co-ordinates the Council’s Corporate Risk Register.
- 1.4 A progress report was submitted to the Audit Committee in January 2015.

1.5 Head of Audit Partnership opinion is as follows:

*The overall opinion is that the Council's internal control environment is generally adequate and effective. This is based on the work undertaken by Audit Services during 2014/15 which is summarised in this report.*

*Management has agreed to address any shortcomings identified by Audit. Issues with a significant level of risk attached have been transferred into the Council's Corporate Risk Register for quarterly monitoring by Management Team and the Audit Committee.*

**2. Options analysis and proposal**

3. There are no options.

4. Implementation of audit recommendations will reduce risks for the authority. Failure to undertake internal audit work to the required standards would lessen the Council's assurance that effective control systems are in place and could result in an increase in the Council's annual external audit fee.

**5. Financial implications**

5.1 N/A

**6. Other considerations**

6.1 None

**7. Timetable for implementation**

7.1 N/A

**Background papers:**

**Appendix:**

**Appendix 1 – Summary of Internal Audit Work for the year 1 April 2014 – 31 March 2015**