

**REPORT FROM: AUDIT MANAGER**

**TO: ACCOUNTANCY & AUDIT COMMITTEE**

**DATE: 31st JULY 2017**

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**ANNUAL REPORT – INTERNAL AUDIT OPINION**

1. The Annual Internal Audit Opinion Report for 2016/17 is enclosed for attention at [Appendix 1](#). Its purpose is to provide Accounts & Audit Committee with information on the activities of the Internal Audit Unit during the year 2016/17.

**RECOMMENDATIONS**

2. That the annual report be noted.

**REASONS FOR RECOMMENDATION**

3. To ensure that Accounts & Audit Committee are aware of the activities of the Internal Audit Unit during the 2016/17 financial year.

**Background**

4. The Accounts and Audit Regulations 2015 state that “a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”. In April 2013, the Accounts and Audit Committee approved the adoption of the Public Sector Internal Audit Standards. Guidance was issued accompanying these standards by C.I.P.F.A. in the form of an Application Note.
5. The Application Note is the way in which the Internal Audit Service should be established and undertake its functions. Included within the Standards, was a requirement under the Audit Strategy and Planning Standard to produce an annual Internal Audit plan.
6. In March 2016, the Accounts and Audit Committee approved the Internal Audit Plan for 2016/17. The purpose of the Plan is to outline the audit assignments that will be undertaken in the following financial year, the priorities for Internal Audit and the estimated resources required to deliver the plan. The Annual Audit Report 2016/17 provides a summary of the actual work undertaken within the year.

7. Members will appreciate that the planned audit days for each audit assignment is an estimate based on the anticipated scope of the audit work required. Given the nature of any plan, there is at times a need to redirect resources during the year subject to events that may arise. The detailed scope and objective of each assignment, and the exact dates of fieldwork, are normally agreed with the relevant Service Manager prior to the commencement of each audit.

### **Limited Assurance Audits**

8. There have been no limited assurance audit reports issued in 2016/17.

## **IMPLICATIONS**

**Policy:** There are no policy implications arising directly from the contents of this report

**Financial:** There are no financial implications arising directly from this report.

**Legal:** The Accounts and Audit Regulations 2015 require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

**Risk Management:** The Internal Audit Plan 2016/17 was produced using a risk based approach. This approach takes into account a range of risks to the Council's internal control system that supports the achievement of the Council's objectives.

**Health and Safety:** There are no health and safety implications arising directly from this report.

**Climate Change:** There are no climate change implications arising directly from this report.

**Community Safety:** There are no Community Safety implications arising directly from this report.

**Equality and Diversity:** There are no equality and diversity implications arising directly from this report.

## **APPENDICES**

**Appendix 1** – Annual Internal Audit Opinion Report 2016/17