AUDIT COMMITTEE	

Date of Meeting	Wednesday, 6th June 2018
Report Subject	Internal Audit Annual Report
Report Author	Internal Audit Manager

EXECUTIVE SUMMARY

The Internal Audit Manager is required to deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual report must incorporate:
• The opinion;
• A summary of the work that supports the opinion; and
• A statement on conformance with the Public Sector Internal Audit Standards (PSIAS), and the results of the quality assurance and improvement programme (QAIP).

This report fulfils that requirement. The audit opinion is that Flintshire has an adequate and effective framework of governance, risk management and control. Audit work undertaken throughout the year is summarised within the report. A self-assessment against the PSIAS, including a review of QAIP was undertaken and reported to the committee in March 2018. This showed that Internal Audit generally conforms to the Standards, and the QAIP is in operation and effective in promoting continual improvement.

The report and opinion has been used to inform the Annual Governance Statement, presented in another paper to this committee.

RECOMMENDATIONS	
1	The Committee is requested to consider the report and receive the internal audit annual opinion.

REPORT DETAILS

1.00	**EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT**
1.01	The Internal Audit Manager is required to prepare a report giving the annual internal audit opinion and summarising the outcome of all internal audit work undertaken during the year. This is part of the framework of assurance that assist the Council in preparing the Annual Governance Statement.
1.02	It also aids the Audit Committee in its role to review the effectiveness of the Authority's systems of corporate governance, internal control and risk management systems, and to make reports and recommendations to the County Council on the adequacy and effectiveness of those arrangements.
1.03	The report outlines the role of the internal audit team and the professional standards it must meet. It includes a statement that the team generally conforms to the PSIAS. It then gives the annual audit opinion.
1.04	Information Governance – The IT Service is required to have independent certification to enable Flintshire County Council to connect to the Public Services Network (PSN). External Assurance is provided by PSN on an annual basis through an annual assessment and subsequent issue of a certificate. Ongoing monitoring and testing is also carried out internally on a quarterly basis by IT Services to ensure ongoing compliance with PSN requirements.
1.05	The report gives the level of coverage of the audit team during the year and summarises the work undertaken in 2017/18. Summary information by Portfolio is provided on the assurance levels given to the reviews, together with the categorisation and the number of agreed actions to address control weaknesses.
1.06	The work on investigations and advisory work is outlined in the report. Additionally training was delivered by the team to care staff in Social Services on the procedures to be followed should they need to make a whistleblow.
1.07	The overall performance of the team throughout the year against targets is then given.

2.00	**RESOURCE IMPLICATIONS**
2.01	None as a result of this report.

3.00	**CONSULTATIONS REQUIRED / CARRIED OUT**
3.01	None required.

4.00	**RISK MANAGEMENT**
4.01	Internal Audit operate to a risk-based plan designed to enable the annual opinion to be delivered. The report includes an opinion on risk management within the Council.

5.00	**APPENDICES**
5.01	Appendix A – Internal Audit Annual Report.

6.00	**LIST OF ACCESSIBLE BACKGROUND DOCUMENTS**
6.01	None. **Contact Officer:** Lisa Brownbill, Internal Audit Manager **Telephone:** 01352 702231 **E-mail:** Lisa.brownbill@flintshire.gov.uk

7.00	**GLOSSARY OF TERMS**
7.01	**PSIAS, Public Sector Internal Audit Standards:** a set of standards that all Internal Audit teams working in the public sector must comply with. **Corporate Governance:** the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes. **Risk Management:** the process of identifying risks, evaluating their potential consequences and managing them. The aim is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they occur. Threats are managed by a process of controlling, transferring or retaining the risk. Opportunities are managed by identifying strategies to maximise the opportunity or reward for the organisation. **CAMMS:** an integrated planning, risk management and programme/project management and reporting system.