



Report of: **Head of Internal Audit**

Meeting of	Date	Agenda Item	Ward(s)
Audit Committee	19th September 2017		

Delete as appropriate		Non-exempt
-----------------------	--	------------

SUBJECT: Internal Audit Annual Report 2016/17

1. Synopsis

- 1.1. The provision of a continuous internal audit service assists the Council in providing assurance on the control environment that supports the delivery of the Council's Strategy.
- 1.2. This report summarises the work that Internal Audit has undertaken during the financial year 2016/17, identifies the key themes that we have identified across the authority, and also highlights how responsive management have been in implementing recommendations.

2. Recommendations

- 2.1. To note the content of this report and the information provided in Appendices A to D.

3. Background

- 3.1. The Internal Audit Programme for 2016/17 (Annual Plan) was approved by Audit Committee in March 2016. The findings from the execution of that work programme are attached as Appendix A.
- 3.2. The Public Sector Internal Audit Standards (PSIAS) require that the Head of Internal Audit provides an annual audit opinion and report that can be used by the organisation to inform its governance statement. As such, this report also presents the annual opinion in respect of the adequacy and effectiveness of the organisation's system of internal control, risk management and governance.

3.3. This report summarises the work that Internal Audit has undertaken during the financial year 2016/17 and provides details on the high risk and priority issues which could impact on the effectiveness of the internal control environment across the Authority. The Internal Audit Charter is also included at Appendix D.

4. Implications

4.1. Financial implications

There are no specific financial implications associated with this report. The financial implications of individual audit and investigation reports are discussed with managers through the audit reporting protocols

4.2. Legal Implications

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must: *'undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control'*. The standards for 'proper practices' in relation to internal audit, are laid down in the Public Sector Internal Audit Standards 2013.

4.3. Resident Impact Assessments

There are no direct Resident Impact Assessment implications arising from the recommendations in this report.

5. Conclusion and reasons for recommendations

This report indicates the level of work being undertaken by Internal Audit in order to provide assurance over Islington's control environment.

Appendices

- Appendix A: Internal Audit Annual Report 2016/17
- Appendix B: Definitions
- Appendix C: Annual Opinion Categories
- Appendix D: Internal Audit Charter

Final Report Clearance

Signed by
Corporate Director of Finance Date

Received by
Head of Democratic Services Date

Report author: Nasreen Khan, Head of Internal Audit
E-mail: nasreen.khan@islington.gov.uk