



REPORT TO: JOINT AUDIT AND ETHICS COMMITTEE

DATE: 24 June 2019

REPORT AUTHOR: HEAD OF INTERNAL AUDIT

SUBJECT: THE ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT FOR THE YEAR ENDED 31 MARCH 2019

(Appendix A refers)

1 Issue for consideration

1.1 The Annual report of the Head of Internal Audit for the year ended 31 March 2019.

2 Recommendation

2.1 In accordance with its terms of reference, the Committee is asked to note this report.

3 Background

3.1 The Internal Audit Service complies with the professional standards of the Chartered Institute of Public Finance and Accountancy, which established Public Sector Internal Audit Standards. These are drawn from the Chartered Institute of Internal Auditors' International Professional Practices Framework, comprising a definition of internal auditing, a Code of Ethics, and International Standards.

3.2 The Public Sector Internal Audit Standards and supporting Local Government Application Note require a head of internal audit to deliver an annual opinion and report. The opinion should address the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control and should be used to inform the governance statement. The annual internal audit report must incorporate the opinion, a summary of the work that supports that opinion, a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

4 Subject

- 4.1 The attached report summarises the work performed by the Internal Audit Service during 2018/19.
- 4.2 The opinion of the Head of Internal Audit is that the Committee can take moderate assurance that Lancashire Constabulary and the Office of the Police and Crime Commissioner for Lancashire operates a generally sound system of risk management, governance and internal control.
- 4.3 Internal audit assurance is stated in the following terms:

Substantial assurance: the framework of control is adequately designed and/ or effectively operated.
Moderate assurance: the framework of control is adequately designed and/ or effectively operated overall, but some action is required to enhance aspects of it and/ or ensure that it is effectively operated throughout the service, system or process.
Limited assurance: there are some significant weaknesses in the design and/ or operation of the framework of control that put the achievement of the service, system or process' objectives at risk.
No assurance: there are some fundamental weaknesses in the design and/ or operation of the framework of control that could result in failure to achieve the service, system or process' objectives.

5 List of attachments/ appendices

- Appendix A – Annual report of the Head of Internal Audit for the year ended 31 March 2019.
- Appendix B – Internal Audit Charter

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