**AUDIT COMMITTEE – 4 JULY 2017**

**PART I – DELEGATED**

**9. INTERNAL AUDIT ANNUAL REPORT 2015/2016**

(DoF)

1. **Summary**

1.1 This report gives details of the activities of Internal Audit during 2016/17 and provides an opinion on the adequacy and effectiveness of the Council’s internal control environment.

2. **Details**

2.1 Attached at Appendix 1 to this report are the 2016/17 Annual Assurance Statement and Internal Audit Annual Report.

2.2 The Head of Assurance for Internal Audit has provided an opinion on the adequacy and effectiveness of the Council’s control environment, broken down between financial and non-financial systems. There are no qualifications to this assurance.

2.3 Under Public Sector Internal Audit Standards, it is the role of the Audit Committee to seek assurance that there are no inappropriate limitations on the scope or resources of internal audit. Paragraph 2.4 of the Annual Report gives this assurance from an internal audit viewpoint and this is confirmed as being the case by the Council’s Section 151 Officer (the Director of Finance) on behalf of management.

3. **Options/Reasons for Recommendation**

3.1 The recommendation allows members to note the contents of the Internal Auditors’ Annual Report at Appendix 1.

4. **Policy/Budget Implications**

4.1 The recommendations in this report are within the Council’s agreed policy and budgets.

5. **Financial, Legal, Equal Opportunities, Staffing, Environmental, Community Safety, and Customer Services Centre, Website and Risk Management Implications**

5.1 None specific.

6. **Recommendation**

6.1 That the Committee notes the contents of the annual internal audit report and the annual assurance statement.

6.2 That the Committee acknowledges the assurance from management that the scope and resources for internal audit were subject to no inappropriate limitations in 2016/17.

6.3 Note the results of the self-assessment as required by both the Public Sector Internal Audit Standards and the Quality Assurance and Improvement Programme.

6.4 Accept the SIAS Audit Charter

 **Background Papers**  None

 Report prepared by:

 Bob Watson – Head of Finance

 **APPENDICES / ATTACHMENTS**

 Appendix 1 2016/17 Annual Assurance Statement and Internal Audit Annual Report.