

# Angus Council Internal Audit



## Internal Audit Annual Report and Review of Corporate Governance

June 2015

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# Executive Summary - Overall Opinion and Assurances

## Background

1. As Audit Manager to Angus Council I am required to provide an annual report to those charged with governance<sup>1</sup>. In doing this I am required to “*evaluate the quality of risk management processes, systems of internal control and corporate governance processes, across all parts of the organisation and report this directly and independently to the most senior level of management*”<sup>2</sup> I am also required to provide an independent opinion on compliance with the Local Code of Corporate Governance.
2. My governance audit and internal control audit and assurances for 2014-15 are informed by a number of sources detailed in section 1.4 of this report. Sample evidence was sought from directors to support their certification against minimum governance and internal financial control standards.
3. My governance and internal financial control opinions relate solely to the council and do not include those bodies included in the group accounts.

## Corporate Governance

4. The Council operates within a well-established governance framework and the results of the 2014-15 audit indicate a number of areas supporting good governance have been improved during the year including:
  - All the internal audit recommendation in relation to risk management have been completed,
  - A three day testing exercise was undertaken in relation to business continuity planning which included cross officer and officer involvement,
  - The Health and Social Care Integration Monitoring Group was established.
5. The Council continues to complete and embed the directorate restructures from the corporate restructure in 2013/14 and more specifically continues to align delegated authorities within the new operational structure.
6. In relation to compliance with the local code, the results of the assessment by the Corporate Governance Officers Group (CGOG) and the audit work indicate that the council was fully compliant with all of the principles of the Local Code. The main areas that require to be taken forward to further enhance the governance arrangements are:
  - Delivery of the information governance action plan

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<sup>1</sup> CIPFA Code

<sup>2</sup> Chartered Institute of Internal Auditors

- Ensuring that, in compliance with SPSO guidance, there is periodic reporting to Elected Members on complaints
  - Improvement in compliance with equalities legislation particularly in relation to the consideration of Equality Act 2010 requirements when submitting reports to Council and its committees
  - Implementation of formal project and programme management standards within the Council.
7. It is therefore recommended that these are considered for inclusion within the Annual Governance Statement as areas for improvement in 2014-15.
8. The review of the assurances from the Strategic Directors identified a small number of areas, within specific individual directorates, where full compliance was not in place and where improvement areas were identified. These areas, have, in the main, been reflected in draft directorate corporate governance action plans and do not adversely affect the conclusion that the Council is compliant with the local code.

## Annual Internal Audit Opinion

9. I am required to provide an opinion on the overall internal control environment which includes internal financial controls. As with my governance assurances, this opinion is based on the sources cited in section 1.4
10. The internal audit work of the year has identified a number of areas of good practice and good internal control. A number of level 1 recommendations have again been made with some of the more material findings highlighted in section 4.1. As discussed in section 4.2, there is evidence of slippage in tracking and implementing internal audit recommendations.
11. With the exception of those improvement areas identified in section 4.1 and 4.2, it is my overall opinion that the internal financial governance and control framework of the council is considered to be sound and reasonable assurances have been obtained of effective working in the year under review.

# 1. Introduction and Background to the Annual Report

## 1.1 Objectives

12. As Audit Manager to Angus Council I am required to provide an annual report and opinion on the Corporate Governance and internal control arrangements within the Council during the financial year 2014-15.
13. The objectives of my annual report are to:
  - Provide independent assurances to Members of the Council and the Chief Executive in relation to my assessment of, and opinion on, the Corporate Governance arrangements during the year under review including compliance with the Local Code of Corporate Governance.
  - Provide an opinion on the overall adequacy and effectiveness of the Council's control environment, including specific assurances to the Head of Corporate Improvement and Finance in relation to internal financial controls to support and inform his duties as s95 Officer.
  - Outline the work of Internal Audit during the year, indicating the more material findings arising from that work and draw attention to any issues I judge particularly relevant to the preparation of the Annual Governance Statement.
  - Provide performance information in relation to internal audit and communicate the results of the internal audit quality assurance programme.

## 1.2 Responsibilities in relation to Corporate Governance and Internal Control

14. The Council adopted a Local Code of Corporate Governance in May 2002. This Code defines how the Council will conduct its business and affirms Council commitment to the fundamental principles of openness and inclusivity, integrity and accountability in overall governance arrangements.
15. Each Chief Officer shall comply with the requirements of the Council's Local Code of Corporate Governance and shall be responsible for providing the Chief Executive with an Annual Assurance Statement for their area(s) of responsibility.
16. The Local Code requires that both the Chief Executive and Internal Audit review compliance with the Local Code on an annual basis and provide their respective reports. These are the Annual Governance Statement and the Audit Manager's annual report and opinion respectively. Both reports will be presented to the Scrutiny and Audit Committee in June of each year.

17. Compliance with the code will be assessed on an annual basis by an officer working group on Corporate Governance, currently the CGOG.
18. In addition, I am required to review and report annually on compliance, adequacy and effectiveness of the Code.
19. In terms of internal controls and directorate governance, it is the responsibility of the Council's Strategic Directors to establish an appropriate and sound system of internal control, to monitor the continuing application of the controls and to annually certify adherence. It is the responsibility of the Audit Manager to provide an annual overall assessment of the adequacy and effectiveness of the internal control system which specifically includes internal financial controls.

### **1.3 Limitations of Scope of Internal Audit Work**

20. There were no limitations of scope to the audit work conducted in 2014-15.

### **1.4 Basis of Opinions**

21. My opinions in relation to the Corporate Governance and Internal Control arrangements are informed by a number of sources:
  - The audit work undertaken by Internal Audit during the year to 31 March 2015.
  - Formal assurances received from the Head of Corporate Improvement & Finance (Section 95 Officer) and the Head of Legal & Democratic Services (Monitoring Officer).
  - Certification against minimum governance and internal financial control standards received from the Strategic Directors and from the Service Manager – Governance on behalf of the Chief Executive's Unit.
  - Our observations of the work of the CGOG in relation to their self-assessment of local code compliance.
  - The assessment of risk completed during the preparation of the audit plan.
  - Reports issued by the Council's External Auditors and other review agencies.
  - My knowledge of the Council's governance, risk management, financial and performance monitoring arrangements.

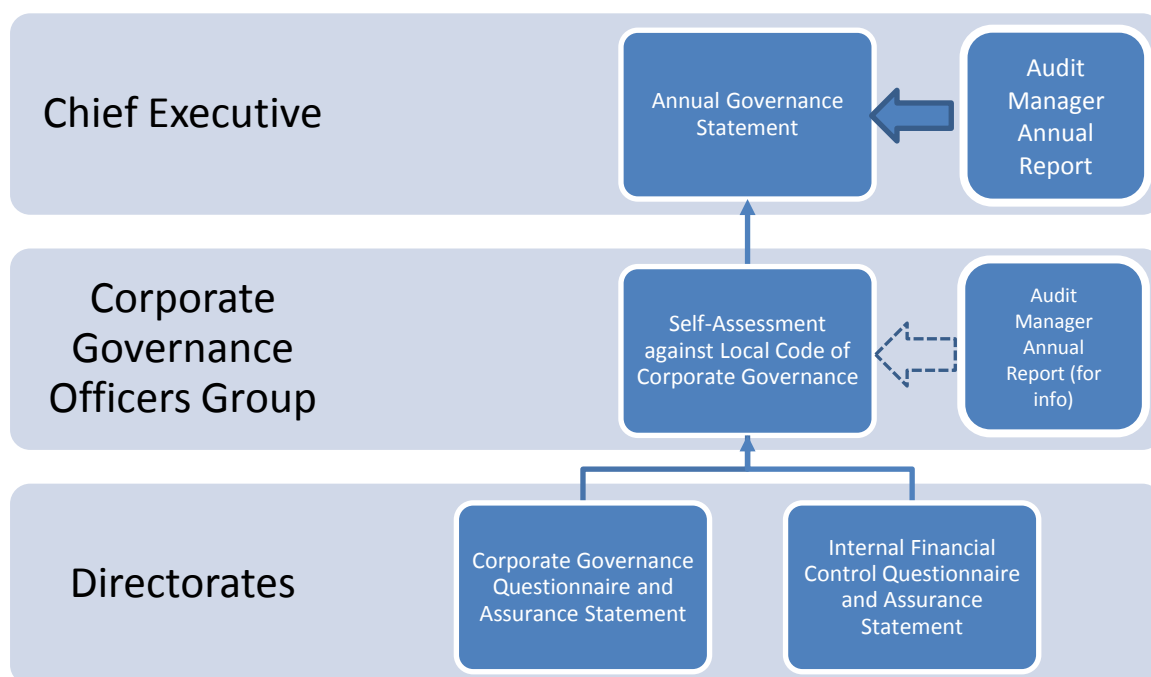
## 2. Compliance with the Local Code

### 2.1 The Local Code of Corporate Governance

22. The Council's local code has been in place since 2002 with a major review, based on a self-assessment exercise, resulting in a new local code effective from 1 April 2009. The code was last updated in June 2011 and is reviewed annually by the Corporate Governance Officers Group.
23. The Local Code is principles based and covers the following:-
- *Focusing on the outcomes of the council and creating and implementing a vision for the local area* - This principle covers areas including articulation of council vision, ensuring high quality services and best use of resources to ensure value for money.
  - *Members and Officers working together to achieve a common purpose with clearly defined functions and roles* - This principle requires clarity of roles and constructive relationships between members, officers, partners and the public.
  - *Promoting values for the council and demonstrating the values of good governance upholding high standards of conduct and behaviour* - This covers areas of leadership and conduct, effective governance and ensuring organisational values are effective.
  - *Taking informed and transparent decisions which are subject to effective scrutiny and managing risk* - This principle expects rigorous and transparent decision making, constructive scrutiny based on good quality information and effective risk management systems in place.
  - *Developing the capacity and capability of members and officers to be effective* - This principle involves ensuring members and officers have the skills and capabilities to discharge their governance roles.
  - *Engaging with local people and stakeholders to ensure public accountability* - This principle looks for community engagement and accountability to the public and responsibility to staff.

### 2.2 Compliance Assessments

24. The diagram below illustrates the key processes involved in determining compliance with the Local Code.



25. The CGOG, on behalf of the Chief Executive, conducts a self-assessment against the Local Code. This considers corporate compliance along with the assurances received from Directorates and the Chief Executive's Unit in the form of the completed Corporate Governance Questionnaire and Assurance Statement and the Internal Financial Control Questionnaire and Assurance Statement.
26. For 2014-15, these questionnaires were completed by the relevant Strategic Director and by the Service Manager – Governance on behalf of the Chief Executive's Unit. All of this, along with my annual report, forms the basis for the assessment reported in the Annual Governance Statement.
27. A compliance assessment is also conducted by Internal Audit. This assessment was based on the following :
  - The governance assurances provided in both Questionnaire and Assurance Statements by the Strategic Directors for their directorate and by the Service Manager - Governance for the Chief Executive's Unit.
  - The independent review and assessment by Internal Audit of the key areas for improvement identified within the Annual Governance Statement 2013/14.

## 2.3 Compliance Assessment

28. In conducting our compliance assessment, we reviewed the draft Self-Assessment against Local Code of Corporate Governance completed by the CGOG as well as the Corporate Governance and Internal Financial Control Questionnaires and Assurance Statements submitted by Directorates. We also considered the Annual Governance



Statement and Audit Manager's Annual Report for 2013-14 as part of our overall assessment.

29. In conducting our independent review of the key areas for improvement identified within the Annual Governance Statement, we reviewed internal audits undertaken in related areas in 2014-15 and considered the risks raised and the recommendations and actions agreed. We also considered findings and matters raised provided by other assurance providers, such as external audit, the Corporate Governance Officers Group and other external inspection bodies.
30. Those areas which were found not to be fully compliant or where the risk assessment has changed are detailed in the respective Corporate Governance and Internal Financial Control sections below. It should be noted that a number of those areas have been raised in previous Annual Reports.

## 2.4 Corporate Governance

### **Risk Management**

31. Work has continued to be undertaken during 2014-15 to raise awareness of and to embed risk management arrangements consistently across the Council. This has included training being delivered to both Officers and Members by the Service Manager – Governance. This has led to a greater awareness across directorates of risk management.
32. There is greater reporting to Committees in relation to risk management, with the Corporate and Directorate Risk Registers being reported to Scrutiny and Audit Committee during the year. Directorate Risk Registers will also be reported to the respective Service Committee in 2015/16.
33. Directorates review their Risk Registers in a quarterly basis and there is a growing service wide use of Covalent to monitor risks and record actions to further mitigate risks.
34. The Risk Management Audit 11-36 was followed up during the year and all recommendations made as part of the original report were found to be implemented. As part of these recommendations, the Risk, Resilience and Safety Group for formed.
35. The framework for taking forward risk management is in place and oversight of the development of the arrangements will be facilitated through the Risk, Resilience and Safety Group.

### **Information Governance**

36. The Information Governance Steering Group met twice during 2014/15 and is now scheduled to meet quarterly. The Group finalised the Information Governance Strategy and Management Framework at its January 2015 meeting.

37. From January 2015, quarterly information governance updates are to be submitted to EMT via the Information Management and Governance project.
38. Information Management and Governance is also included within the scope of the Angus Digital programme of the Transforming Angus programme. There are also close links with the Agile Working programme. The Agile Working and Accommodation Strategy, approved by the Policy & Resources Committee in January 2015, details the design principles framework within which 'Angus Agile' will be implemented, including *"Records and document management practices which support agile will be developed and implemented"*.
39. A Records Management Plan has been drafted and is based on the model issued by the Keeper of Records. It was discussed by the Information Governance Steering Group in January 2015 and includes a number of actions required to ensure full compliance with the Act. The new Records Management & Information Governance Working Group will be charged with taking forward the action plan
40. The Information Governance Audit 12-34 and Data Protection Audit 13-19 were followed up during the year and the majority of recommendations had been implemented or superseded by the development of the Information Governance Action Plan.
41. There has been very little progress by the Council in terms of delivery of the Information Governance Action Plan during 2014/15

### **Project and Programme Management**

42. Project Management training was held for officers in February 2015. It was provided by an external consultant and covered generally accepted project management methodology. The session comprised two 2-day courses and was targeted at staff sitting on the Transforming Angus Programme or Project Boards.
43. An audit was completed during the year of Transforming Angus and programme management arrangements were a key consideration. The final report was issued in March 2015 and identified that, whilst programme management arrangements are defined, there is need of further development of these for the Transforming Angus programme to ensure they are effective.
44. Transforming Angus is acting as the catalyst for the Council to develop a corporate project and programme management framework. At its meeting on 9 April 2015, the Transforming Angus Programme Board agreed to establish a corporate project governance 'cross-service' working group to progress this work over the next 6 month period.

### **Business Continuity Planning**

45. The Council's work on Business Continuity Planning (BCP) progressed during 2014-15. In October 2014, a three day testing exercise was completed which was facilitated

by external consultants and involved a cross section of Council officers. A post exercise report was submitted to the CMT in January 2015 and recommendations have been included in the Business Continuity Action Plan. This will be progressed in 2015/16.

46. Training for co-ordinators was completed and plans continue to be reviewed to ensure that they are still valid.

### **Complaints**

47. From 2014-15, local authorities were required to assess complaints handling performance against specific performance indicators (published by SPSO in August 2013), and to publish on an annual basis performance in handling complaints. During 2014/15, complaints handling performance information for 2013/14 was reported to Scrutiny and Audit Committee in June and November 2014.
48. Complaints handling information in relation to 2014-15 performance was scheduled to be reported to the Scrutiny and Audit Committee in April 2015, however this has still to be reported or published.
49. The Council's Customer Care/Complaints guidance highlights that "*We will publish on a quarterly basis the outcome of complaints and the actions we have taken in response*", however this has not been done.
50. There has been improved reporting of complaints handling to management teams, with information being reported to Directorate Management Teams, however this still requires to be reported consistently and quarterly across all the teams, with analysis being undertaken to identify any potential trends.

### **Corporate Governance Training**

51. Corporate governance training for officers which was highlighted in previous years' annual governance statements was due to be delivered by December 2014, however this did not take place by the end of the financial year.

### **Chief Officer Grading Framework**

52. There has been no progress in developing the framework and policy for Chief Officers posts. We understand from discussions with management that it is planned for this to be encompassed in the overall review of the grading and organisational design structure rather than as a stand-alone piece of work.

### **Directorate Governance Action Plans**

53. The Directorates continue to maintain Corporate Governance Action Plans. As part of our review of the Directorate Questionnaires, we were satisfied that the Action Plans reflected the areas for improvement identified within each Directorate's Internal Financial Control Questionnaire and Corporate Governance Assurance Statement.

## 2.5 Internal Financial Control

54. Our Interim Corporate Governance audit recognised that there continue to be significant levels of change within the Council. Progress was made by the Resources and Communities directorates in relation to updating their operational schemes of delegation and authorised signatory lists for the changes to management structures. Our review identified that there is still some work required within People Directorate to ensure compliance with the requirements for maintain operational scheme of delegation and authorised signatory lists. This is reflected within their Governance Action Plan.

## 2.6 Summary Compliance Assessment

55. The initial self-assessment of the local code by the CGOG in 2014-15 found that the council was compliant with the local code, with opportunities for improvement identified in relation to complaints, business continuity planning, project and programme management and information governance. The results of our audit assessment are consistent with those reached by the CGOG.
56. The review of the assurances from the Strategic Directors identified a small number of areas, within specific individual directorates, where full compliance was not in place and where improvement areas were identified. These areas, have, in the main, been reflected in draft directorate corporate governance action plans and do not adversely affect the conclusion that the Council is substantially compliant with the local code.
57. As part of the annual corporate governance exercise Directors are asked to complete an internal financial control questionnaire and assurance statement certifying compliance with core internal financial controls. Strategic Directors have generally certified positively in terms of their directorate compliance with only a small number areas identified as requiring improvement.
58. Our audit work identified a small number of areas of non-compliance with the core internal financial controls within individual directorates. One example is the issue of operational schemes of delegation raised in paragraph 53 above.

## 3. Internal Audit

***“Internal auditing is an independent assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”***

Source: Chartered Institute of Internal Auditors

### 3.1 Role of Internal Audit

59. The Chartered Institute of Internal Auditors (CIIA) indicates that *“the role of the internal auditor is to provide assurance to management that all key risks are being managed effectively. To do this, the internal auditor will evaluate the quality of risk management processes, systems of internal control and corporate governance processes, across all parts of the organisation and report this directly and independently to the most senior level of management.”*

### 3.2 Structure and Reporting

60. As part of the management restructure in 2013-14, Internal Audit became part of the Governance section of the Chief Executive’s Unit. As Audit Manager, I had open access to all members and officers of the council and operated in accordance with the Internal Audit Charter.

61. I reported in my own name the results of all internal audit work to the Scrutiny & Audit Committee. The Committee are remitted to consider the outcomes of audit and investigation work; monitor the discharge by management of the recommendations made; ratify internal audit plans; and review the performance of internal audit.

62. Professional practice standards and best practice in relation to the provision of public sector internal audit service is contained in the Public Sector Internal Audit Standards (PSIAS), effective from 1 April 2013

63. The PSIAS public sector requirements state that:

*“The chief audit executive [Audit Manager] must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.*

*The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.*

*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 and the results of the quality assurance and improvement programme.”*
64. The responses to these requirements are included in Section 4 of this report.
65. During 2014-15, an external assessment was undertaken by CIPFA on our compliance with the PSIAS. CIPFA reported that they found “*that the Council has an enthusiastic, experienced internal audit team that is ably led by an Audit Manager who commands respect and credibility across officers and members alike*” In addition, they found that the function was compliant with PSIAS.
66. Recommendations were made by CIPFA to further enhance compliance and these were added to the PSIAS Improvement Plan. This Plan is subject to regular review throughout the year and it is intended that a programme of rolling internal assessments will be introduced in 2015-16.
67. Internal Audit undertakes an annual programme of work based on a formal risk assessment process which is revised on an on-going basis to reflect emerging risks and changes within the Council.
68. All internal audit reports are subject to consultation with management for consideration of factual accuracy and recommendations made. It is management’s responsibility to ensure that proper consideration is given to internal audit reports and that appropriate action is taken to implement the agreed action plans. I am required to ensure that appropriate arrangements are made to determine whether action has been taken on internal audit recommendations or that management has understood and assumed the risk of not taking action. Significant matters (including non-compliance with audit recommendations) arising from internal audit work are reported to the Head of Corporate Improvement and Finance, Chief Executive and the council’s Scrutiny & Audit Committee.

### **3.3 Performance & Quality Assurance**

69. Quality assurance arrangements within the section are contained within the Audit Manual and encompass a robust day to day quality system and file review process.
70. Our gap analysis against the PSIAS identified the need for defined and agreed measures of Internal Audit performance. These are in the process of being developed and introduced in 2015-16 and it is envisaged that we will adapt the Internal Audit balanced scorecard produced by SLACIAG (Scottish Local Authorities Chief Internal Auditors Group) for reporting to the Scrutiny & Audit Committee. Reports on performance will be prepared and included in the Internal Audit Update reports to the Scrutiny & Audit Committee in 2015-16.
71. Currently, performance indicators used for Internal Audit are those developed by the CIPFA Directors of Finance Section. For 2014-15, the efficiency indicator shows the

section discharged 97.6% of planned productive hours, compared with 93% in the previous year.

72. The Internal Audit Section was fully staffed during the year with no vacancies. The Internal Audit service has a staff complement of 3.6 FTE. The co-sourcing contract which continued in 2014-15 provided additional audit days to supplement the work of the Internal Audit Section as well as for the role of Audit Manager.
73. The work of the Internal Audit function is reviewed by External Audit as part of their final accounts review. The purpose of this review is to ensure that the Internal Audit section performs to professional standards in the conduct of audit work in order that External Audit can place reliance on it. External Audit has indicated that they will be placing formal reliance on the internal audit review of Transforming Angus carried out in 2014-15.

## 4. Summary of Internal Audit Activity 2014-15

74. The main areas of audit conducted in the year, with a summary of the more material findings, supplemented by our review work on discharge of level 1 recommendations, are outlined below.

### 4.1 Main Audit Findings

75. A number of areas of good practice were noted from the audit work of the year including:

- There are robust procedures in place with charitable funds to ensure payments made are in line with principles of the Trust / Fund and are appropriately authorised and are processed promptly.
- Leisure services have good practice in place for salaries with standardised procedures and timesheets.
- A cross section of directorates / division have completed reviews to reduce the number of subscriptions paid for as part of the budget exercise.
- Monitoring of estimated meter readings and regular spot checks of automated meter readings are in place to support carbon reduction.
- Significant work has been completed on new Health and Safety framework, policy and procedures.
- There is good monitoring and reporting of performance in relation to housing planned maintenance along with sound controls over spend.

76. A variety of audit reports in both financial and non-financial areas have been issued during 2014-15.

77. In terms of financial audit work, areas covered included:

- Salaries
- Children and Young People (Scotland) Bill
- Subscriptions
- Income Collection – Lettings of premises
- Affordable Housing/Survive and Thrive
- Procurement
- Creditor Payments
- Charitable Funds

78. The most significant improvement requirements identified from the financial audit work relate to:



- Salaries: Adult Services should, in liaison with Payroll, design and implement standardised timesheets to be used by all locations and services within the Business Unit. Adult Services should also produce comprehensive payroll procedures.
- Procurement: There were instances of non-compliance where exemption reports were not completed or authorised for expenditure.

79. In relation to non-financial work, areas covered included:

- Information Governance
- Transforming Angus
- Performance Management
- PSN Compliance
- Risk Management
- Health and Safety Governance
- Angus Online

80. The most significant improvement requirements identified from the non-financial audit work relate to:

- **Information Governance:** Records Management Plan should be cross-referenced to the Information Governance Improvement Plan to ensure that responsible officers and target completion dates are assigned to all actions.
- **Transforming Angus Governance:** Terms of Reference of the TA Board should be formally documented. This should define the overall responsibilities of the Board and how this relates to supporting programme and project boards. This should be approved by the Policy & Resources Committee.
- **Transforming Angus Governance:** Highlight Reports continue to be developed so that they achieve the optimal level of detail on progress of projects/programmes against agreed plans. The planned work to align Transforming Angus risk management processes is completed as soon as is practical.
- **Transforming Angus Governance:** An exercise should be undertaken to establish the scope of further potential Transforming Angus activity, including strategic Lean and Service reviews, within the Council.
- **Transforming Angus Governance:** Formal and documented processes are established which covers identification, review, approval, and prioritisation of projects.
- **Transforming Angus Governance:** The Programme Management Office completes the process through which interdependencies in the programme are to be identified, monitored and managed.

81. Our interim corporate governance review identified that progress was being made to strengthen the risk management arrangements however actions in relation to information governance were not progressing. Our year-end work has highlighted that further progress had been made in relation to risk management with all outstanding

audit actions being completed, however no further progress had been made on information governance.

82. The results of the above audits have all been considered by the Scrutiny and Audit Committee.

## 4.2 Discharge of Level 1 Recommendations

83. As part of the annual corporate governance audit, the discharge of level 1 recommendations is reviewed.

84. The People directorate indicated that they were only partially compliant in relation to ensuring that Level 1 actions from internal and external audit reports are completed within agreed timescales. New arrangements for dealing with audit reports in the People directorate will be implemented from April 2015.

85. The Resources directorate now monitor their audit recommendations through Covalent.

86. The Communities directorate has assessed itself as compliant with this requirement but we found that there is no formal directorate-wide process in place to manage this.

87. The review work carried out by Internal Audit highlighted that there are still some areas of slippage in the discharge of level 1 recommendations. The most significant areas of slippage are in relation to:

- Information Governance,
- Project and programme management,
- IT Incident Management, and
- Email Account Management.

88. A number of new level 1 recommendations were raised in our Transforming Angus Governance review. These are covered in section 4.1 above and related to the strengthening of the current governance arrangements. Our 2015-16 audit work will provide assurances on the effectiveness of benefits identification, tracking and realisation for the Transforming Angus programme.

89. Revised dates have been agreed with directorates for these recommendations and we will review implementation of the actions as part of our 2014-15 follow up work.

## 4.3 Conformance with the PSIAS

90. An External Quality Assessment was undertaken by CIPFA in the autumn of 2014. The review confirmed that the council's internal audit function is fully in conformance with the PSIAS. No significant areas of non-compliance were identified. CIPFA's report included some suggestions to further improve the efficiency and effectiveness of

the function but noted that these should not be seen as actions necessary to achieve compliance with PSIAS.

#### **4.4 Annual Internal Audit Opinion**

91. The internal audit work of the year has identified a number of areas of good practice and good internal control. A number of level 1 recommendations have again been made during the year with some of the more material findings highlighted in section 4.1 above.
92. As discussed above, there is evidence of slippage in tracking and implementing internal audit recommendations.
93. With the exception of those improvement areas identified in section 4.1 and 4.2 above, it is my overall opinion that the internal financial governance and control framework of the council is considered to be sound and reasonable assurances have been obtained of effective working in the year under review.