

Report to: Governance and Audit Committee

Date: 30 July 2018

Subject: **Annual Internal Audit Report and Opinion**

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1 Purpose of this report

- 1.1 To provide notice of the annual Internal Audit report and opinion of the risk management, governance and control environment in operation during 2017/18.

2 Information

- 2.1 Public sector Internal Audit Standard, PSIAS 2450, requires the Chief Audit Executive to provide an annual report to the Governance & Audit Committee timed to support the Annual Governance Statement. The report must include:
- An annual audit opinion on the overall adequacy and effectiveness of governance, risk and control frameworks (the control environment).
 - A summary of the audit work performed from which the opinion is derived including any reliance placed on work by other bodies.
 - A statement on conformance with PSIAS and the results of the Internal Audit Quality Assurance and Improvement Programme.
- 2.2 In addition, the PSIAS require the Chief Audit Executive to confirm to the Governance & Audit Committee at least annually, the organisational independence of the internal audit activity.
- 2.3 In the context of PSIAS, 'opinion' means that internal audit will have done sufficient, evidenced work to form a supportable conclusion about the activity it has examined.
- 2.4 It should be noted that the opinion for the Combined Authority is that the framework of governance and control had operated adequately. However, risk management arrangements continued to be under development during

2017/18, therefore only partial assurance can be provided in respect of these matters.

- 2.5 The annual Internal Audit report for the Combined Authority is attached to this paper for information as Appendix 1.

3 Financial Implications

- 3.1 There are no financial implications arising from this report.

4 Legal Implications

- 4.1 The Accounts & Audit Regulations (2015) require the West Yorkshire Combined Authority to maintain an adequate and effective internal audit.

5 Staffing Implications

- 5.1 There are no staffing implications arising from this report.

6 External Consultees

- 6.1 No external consultations have been undertaken.

7 Recommendations

- 7.1 That the Committee notes the contents of the annual Internal Audit report & opinion.

8 Background Documents

None.

9 Appendices

Appendix 1 – Internal Audit Annual Report & Opinion 2017/18