



AGENDA ITEM 8

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: INTERNAL AUDIT ANNUAL REPORT -
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 20th JUNE 2014
Author: INTERNAL AUDIT

1. INTRODUCTION

- 1.1 The purpose of this report is to present to the Joint Board the annual Internal Audit opinion on the Board's internal control environment.

2. BACKGROUND

- 2.1 Clackmannanshire Council's Internal Audit function provides Internal Audit services on behalf of the Assessor and the Valuation Joint Board.
- 2.2 An annual opinion is required by Performance Standard 2450 of the Public Sector Internal Audit Standards (PSIAS). In line with best practice the report will be used by the Board to inform its Annual Governance Statement.

3. RECOMMENDATIONS

- 3.1 The Joint Board is asked to note the contents of this report.

Iain Burns

Internal Audit and Fraud Team Leader, Clackmannanshire Council

LIST OF BACKGROUND PAPERS

1. Internal Audit Annual Report



INTERNAL AUDIT

ANNUAL REPORT

APRIL 2013 TO MARCH 2014

INDEX	Page
1. INTRODUCTION	2
2. AUDIT OPINION	3
3. OVERVIEW OF 2013/14	4
4. QUALITY ASSURANCE	4

1. INTRODUCTION

- 1.1 The purpose of this report is to provide an independent assurance statement on the effectiveness of the financial and non financial internal controls operating within Central Scotland Valuation Joint Board in the period April 2013 to March 2014.
- 1.2 Clackmannanshire Council's Internal Audit function provides Internal Audit services on behalf of the Assessor and the Valuation Joint Board. The provision of an Annual Report by the Internal Audit and Fraud Team Leader is required by Performance Standard 2450 of the Public Sector Internal Audit Standards (PSIAS).
- 1.3 It is the responsibility of senior management to establish an appropriate and sound system of internal control and to monitor the continuing effectiveness of that system. PSIAS requires that the annual internal audit opinion must conclude on the overall effectiveness of the organisation's framework of governance, risk management and control in a report that incorporates;
- The opinion;
 - A summary of the work that supports the opinion; and
 - A statement on conformance with the PSIAS and the results of the quality assurance and improvement programme.
- 1.4 This report has been prepared in line with the above requirements.

2. AUDIT OPINION

- 2.1 To form an opinion on the Board's control environment, Internal Audit prepares an Annual Plan which incorporates the audits to be completed during the financial year. The audits in this plan are selected with a view to determining whether the risks facing the key corporate and service objectives are being adequately managed and financial and non financial controls are operating.

Basis of Assurance

- 2.2 In forming my opinion on the Board's control environment, I have relied on different sources, including:
- The audit work undertaken by the Internal Audit and Fraud Team during the year to 31 March 2014,
 - Progress made by management in the implementation of Internal Audit recommendations,
 - Reports issued by the Council's external auditors, Deloitte LLP and other review agencies,
 - The Annual Governance Statement assurance process.
- 2.5 On this basis I am able to provide **significant** assurance upon the adequacy and effectiveness of Central Scotland Valuation Joint Board's framework of governance, risk management and control in the year to 31 March 2014.

Iain Burns

20 June 2014

**Internal Audit and Fraud Team
Leader,
Clackmannanshire Council**

Date

3. OVERVIEW OF 2013-14

- 3.1 Internal Audit and Fraud's Annual Plan for 2013/14 comprised 1 assurance audit (Information Governance and Data Security) together with time allocated for follow up work and input into the Annual Governance Statement (AGS) assurance process for the 2013/14 accounts. A total of 4 weeks were included within the Annual Plan.

Assurance

- 3.2 Within the Annual Audit Plan for 2013-14 a review of the Information Governance and Data Security was scheduled. The scope of the audit was to review and evaluate the guidance prepared by the Assessor which was updated and refreshed in summer 2013 to strengthen procedures and processes in the areas highlighted above. This included considering day-to-day practices to ensure that the updated guidance is being implemented and adhered to.
- 3.3 Internal Audit provided a significant level of assurance. In our opinion there is a strong control environment operating in relation to information governance and data security. We found that updated and refreshed guidance is available to staff and other stakeholders and is being adhered to. We also found that monitoring and reporting of adherence of guidance is robust.

Governance

- 3.4 The Internal Audit and Fraud Team have contributed to the Annual Governance Statement assurance process through reviewing Governance arrangements. This included reviewing and challenging evidence provided by the Board in support of the assurance statements.

4. QUALITY ASSURANCE

- 4.1 All Local Authority Internal Audit teams are required to operate in accordance with the Public Sector Internal Audit Standards (PSIAS). The PSIAS formalise standards to be achieved in relation to, for example, independence, staffing and training, audit strategy and planning, reporting and performance and quality and effectiveness.

- 4.2 Significant development work was identified and undertaken in 2013/14. This included re-designing the audit process including moving to an electronic audit package. This ensured that individual audit reviews focused more clearly on the key risks associated with the areas under review. As a result working papers and the format of our reports were revised to accommodate these changes.
- 4.3 The Internal Audit and Fraud Team has also undertaken a self assessment against the PSIAS during 2013/14 with the aim of identifying further development work required. A Quality Improvement Plan has been drafted which identifies a number of areas for improvement including updating the Audit Charter, reviewing and updating the Internal Audit Manual and giving consideration to how independent assurance over the fraud function will be provided.