

The background of the slide features the coat of arms of the Government of Nunavut. It consists of a shield divided into four quadrants. The top-left quadrant shows a stylized sun with rays. The top-right quadrant shows a caribou head with antlers. The bottom-left quadrant shows a sailing ship on wavy lines representing water. The bottom-right quadrant shows a beaver. Above the shield is a crown with four maple leaves. Below the shield is a banner with the text "ANNE FOR A'".

AGENDA ITEM

8

INTERNAL AUDIT ANNUAL REPORT



AGENDA ITEM 8

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: INTERNAL AUDIT ANNUAL REPORT
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 17th JUNE 2016
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 provide 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 2015 TO MARCH 2016

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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 2015 to March 2016.
- 1.2 Clackmannanshire Council's Internal Audit function provide 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 2016,
 - Progress made by management in the implementation of Internal Audit recommendations,
 - Reports issued by the Board'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 2016.

Iain Burns

17 June 2016

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

Date

3. OVERVIEW OF 2015-16

- 3.1 Internal Audit and Fraud's Annual Plan for 2015/16 comprised 1 assurance audit (Register of Electors - Postal and Proxy Vote Applications) together with time allocated for follow up work and input into the Annual Governance Statement (AGS) assurance process for the 2015/16 accounts. A total of 4 weeks were included within the Annual Plan.

Assurance

- 3.2 Within the Annual Audit Plan for 2015-16 a review of the Register of Electors - Postal and Proxy Vote Applications was scheduled. The scope of the audit was to assess the adequacy and effectiveness of the controls and procedures in place to ensure that the records relating to the Register of Electors and specifically records relating to Postal and Proxy Votes are accurate, are dealt with timeously and in line with Policy and Procedures.
- 3.3 Internal Audit provided a significant level of assurance. In our opinion there is a strong control environment operating in relation to how the Central Scotland VJB mitigates the risks associated with the administration of Postal and Proxy Vote Applications. Two relatively minor issues were raised in the report. An Action Plan to address the areas for improvement has been agreed and progress against this Action Plan will be monitored by Internal Audit.

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 The Internal Audit Team undertook a self assessment against the PSIAS during 2014/15 with the aim of identifying development work required. A Quality Improvement Plan has been prepared which identifies a number of areas for improvement. This has resulted in a re-drafting of the Internal Audit Charter for inclusion in financial regulations and an updating of the internal audit manual. The team have also prepared a Customer Service Questionnaire that will be issued to clients following audit reviews carried out under the 2016/17 plan and beyond..
- 4.3 Further development work is also planned around annual plan administration, review and update of working papers and a review of the assignment planning process to ensure that fieldwork is properly targeted around significant risks.