

LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Chair and Members of the Combined Authority
Audit and Governance Committee

Meeting: 24 July 2019

Authority/Authorities Affected: Combined Authority/All Districts

EXEMPT/CONFIDENTIAL ITEM: No

REPORT OF THE HEAD OF INTERNAL AUDIT

HEAD OF INTERNAL AUDIT ANNUAL REPORT AND OPINION 2018-19

1. PURPOSE OF REPORT

The purpose of this report is to provide the Head of Internal Audit's Annual Report and Opinion in respect of Liverpool City Region Combined Authority for the financial year 2018-19. The report summarises the work undertaken by Internal Audit during the year, the key conclusions that can be drawn from this, and the overall opinion on the organisation's governance, risk and internal control environment.

2. RECOMMENDATIONS

It is recommended that the Audit and Governance Committee:

(a) Notes the report.

3. BACKGROUND

So as to support the Committee in the discharge of its duties according to its Terms of Reference, and in accordance with the Public Sector Internal Audit Standards, this report fulfils the requirement for the Head of Internal Audit to provide an annual report and opinion on the effectiveness of the organisation's governance, risk and internal control environment. It is worthy of note that there is a separate Annual Report and Opinion relating to Merseytravel, and this is reported to the Audit, Risk and Governance Board.

The report highlights the following key points:

- A summary of the Internal Audit work undertaken during 2018/19
- A summary of the performance of Internal Audit during the year
- A review of Internal Audit's compliance with the Public Sector Internal Audit Standards (PSIAS)
- A summary of the Quality Assurance and Improvement Programme (QAIP) established during the year

- The overall Head of Internal Audit opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control in 2018-19
- A look ahead to the Internal Audit Plan 2019-20.

4. RESOURCE IMPLICATIONS

4.1 Financial

There are no direct issues arising from this report.

4.2 Human Resources

There are no direct issues arising from this report.

4.3 Physical Assets

There are no direct issues arising from this report.

4.4 Information Technology

There are no direct issues arising from this report.

4.5 Programme Management Office (PMO)

There are no direct issues arising from this report.

5. RISKS AND MITIGATION

- 5.1 It is the responsibility of the Liverpool City Region Combined Authority to establish effective arrangements for the management of risk. Internal Audit reports highlight weaknesses that pose a risk to the achievement of the organisation's objectives and the according recommendations assist in mitigating such risks. Internal audit work is one strand of assurance regarding the effectiveness of the system of internal control and this can be utilised to inform the organisation's view of organisational risk and its management.

6. EQUALITY AND DIVERSITY IMPLICATIONS

There are no direct issues arising from this report.

7. PRIVACY IMPLICATIONS

There are no direct issues arising from this report.

8. COMMUNICATION ISSUES

There are no direct issues arising from this report.

9. CONCLUSION

The Head of Internal Audit's Annual Report and Opinion is the culmination of the work of Internal Audit during the year, and forms a key strand of assurance for the organisation regarding the effectiveness of the governance, risk and internal control environment.

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Head of Internal Audit

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Appendices:

Appendix 1 – Head of Internal Audit Annual Report and Opinion 2018-19

Background Documents:

None