

<b>Report Title</b>	Head of Internal Audit Annual Report and Opinion 2021-22
<b>Portfolio Holder</b>	
<b>Summary of decision being sought</b>	Report is for noting
<b>Is this report exempt?</b>	No
<b>Is this a Key Decision</b>	No
<b>Local Authorities affected</b>	None directly
<b><u>Impact and implications of this report</u></b>	
<b>Financial impact</b>	No
<b>Dispensation of decision sought and details of approval</b>	
<b>Supporting the Corporate Plan</b>	<ul style="list-style-type: none"> <li>✓ A Fairer City Region</li> <li>✓ A Stronger City Region</li> <li>✓ A Cleaner City Region</li> <li>✓ A Connected City Region</li> <li>✓ A Vibrant City Region</li> </ul>
<b><i>Tick which ones are appropriate</i></b>	
<b>Climate Change Implications</b>	No
<b>Equality and Diversity implications</b>	No
<b>Social Value implications</b>	No
<b>Human Resources implications</b>	No
<b>Physical Assets implications</b>	No
<b>Information Technology implications</b>	No
<b>Legal implications</b>	No
<b>Risks and Mitigations</b>	Yes, at paragraph 4.1
<b>Privacy implications</b>	No
<b>Communication and consultation implications</b>	No
<b>Contact Officer(s)</b>	Laura A. Williams, Head of Internal Audit <a href="mailto:laura.williams@liverpoolcityregion-ca.gov.uk">laura.williams@liverpoolcityregion-ca.gov.uk</a> 07713 095315
<b>Appendices</b>	Yes
<b>Background Documents</b>	Yes



# **LIVERPOOL CITY REGION COMBINED AUTHORITY**

## **LCR Audit & Governance Committee**

**Wednesday, 27 July 2022**

### **Report of the Head of Internal Audit**

#### **HEAD OF INTERNAL AUDIT ANNUAL REPORT AND OPINION 2021-22**

#### **1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to provide the Head of Internal Audit's Annual Report and Opinion for the financial year 2021-22. 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**

- 2.1 It is recommended that the Audit and Governance Committee notes the report.

#### **3. BACKGROUND**

- 3.1 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.
- 3.2 The report reflects on the single governance, risk and internal control environment which encompasses both the Combined Authority and Merseytravel, reflected in a single Internal Audit Plan, but cognisant of the separate legal entities, contains separate opinions for the Combined Authority and Merseytravel elements of the organisation. For this reason, this report will also be presented to the Merseytravel Board.
- 3.3 The report highlights the following key points:
- A summary of the Internal Audit work undertaken during 2021/22;
  - 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 and maintained during the year; and

- The overall Head of Internal Audit's opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and internal control in 2021-22 for the Combined Authority and Merseytravel respectively.

#### **4. IMPACT AND IMPLICATIONS**

##### **4.1 Risks and Mitigation**

It is the responsibility of the Combined Authority to establish effective arrangements for the management of risk. Internal Audit reports highlight weaknesses which 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 Combined Authority's view of organisational risk and its management.

#### **5. CONCLUSION**

- 5.1 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.

LAURA A. WILLIAMS  
Head of Internal Audit

#### **Appendices:**

Head of Internal Audit Annual Report and Opinion 2021-22

#### **Background Documents:**

None