

EDUCATION THROUGH REGIONAL WORKING (ERW)

Head of Internal Audit Annual Assurance Opinion 2019-20

1.0 Introduction

- 1.1 The Public Sector Internal Audit Standards came into effect on the 1st April 2013 and require the Head of Internal Audit to “deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement”.
- 1.2 The purpose of the annual internal audit opinion is to contribute to the assurances available to the Section 151 Officer and the Joint Committee which underpin the assessment of the effectiveness of the system of internal control for ERW. The audit work undertaken has been based on a risk assessment and the Joint Committee will need to integrate these results with other sources of assurance when making a rounded assessment of control for the purposes of the Annual Governance Statement.

2.0 Internal Audit Work 2019-20

- 2.1 The Internal Audit Plan for 2019-20 was a risk-based audit plan, which was agreed with the Lead Chief Executive, Interim Managing Director and the Section 151 Officer and approved by the Joint Committee on the 9 December 2019.
- 2.2 The Internal Audit Plan for 2019-20 consisted of the following:
- Follow-up of Previous Internal Audit Recommendations
 - Follow-up of the Annual Governance Statement 2018-19 Action Plan
 - Financial Management
 - ERW Business Plan
 - Grant Schedules & Returns from Authorities

3.0 Head of Internal Audit Opinion

- 3.1 In order to form an opinion on each audit review, the Internal Audit Service have to obtain sufficient evidence on which to base their opinion, and by necessity this results in testing on a sample or selected basis and having to place reliance on assurances provided by management. Due to this, Internal Audit are unable to provide absolute assurance that all the governance, internal control, risk management and financial management arrangements in place in the areas audited are fully adequate and effective.
- 3.2 Based on the work undertaken by the Internal Audit Service during 2019-20, it is my opinion that overall, subject to variation between areas audited, that limited assurance is given on the effectiveness of governance, internal control, risk management and financial management arrangements in place. Management have

agreed to implement the recommendations made following the Internal Audit review. The implementation of these recommendations in an effective and timely manner will assist in strengthening the governance, internal control, risk management and financial management arrangements in place.

- 3.3 In accordance with the Public Sector Internal Audit Standards, the Head of Internal Audit undertook a self-assessment of compliance with the Public Sector Internal Audit Standards. The Assessment concluded that the Internal Audit Service conforms to the Code of Ethics and the Public Sector Internal Audit Standards.

4.0 Delivery of the Audit Plan

- 4.1 The internal audit plan has been delivered in accordance with the schedule agreed by the Lead Chief Executive, Interim Managing Director, Section 151 Officer and the Joint Committee.
- 4.2 The Internal Audit quality assurance and improvement programme has confirmed compliance with the mandatory requirements of the Public Sector Internal Audit Standards.
- 4.3 Overall, limited assurance was given on the adequacy and effectiveness of arrangements in place. The uncertainty of the future of ERW has diverted an element of strategic focus away from undertaking core work and resulted in previous recommendations not being implemented.

There are a number of recommendations made within the Internal Audit review 2019-20 and previous years that have been incorporated into the Annual Governance Statement 2019-20 and should be used to inform arrangements for the future consortia.