

## **EDUCATION THROUGH REGIONAL WORKING (ERW)**

### **Head of Internal Audit Annual Assurance Opinion 2021-22**

#### **1.0 Introduction**

- 1.1 The Public Sector Internal Audit Standards came into effect on 01 April 2013 and requires 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 2021-22**

- 2.1 The Internal Audit Plan for 2021-22 was a risk-based audit plan, which was agreed with the Lead Chief Executive, Lead Director, Interim Chief Officers the Section 151 Officer, and the Monitoring Officer. Due to the Joint Committee not meeting following their 08 July 2021 until the 29 April 2022, approval for the Internal Audit workplan was sought from Lead/Statutory Officers by email on 07 February 2022, with approval being granted.
- 2.2 The Internal Audit Plan for 2021-22 consisted of the following, which received a moderate assurance opinion:
- Follow-up of Previous Internal Audit Recommendations.
  - Follow-up of Previous Annual Governance Statement Issues
  - Arrangements for ceasing the Education through Regional Working (ERW) Partnership
  - Governance Arrangements for the new Partneriaeth Partnership
  - Debt Monitoring and Payment of Debts

In addition, the Internal Audit reviews of the relevant main financial systems operated by Pembrokeshire County Council (including Treasury Management and Budgetary Control), received a substantial assurance rating, with the Main Accounting System receiving a moderate assurance rating.

### **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 2021-22, it is my opinion that overall, subject to variation between areas audited, that moderate assurance<sup>1</sup> 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 of the current and future partnership working arrangements.
- 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, Lead Director, Interim Chief Officers, Section 151 Officer and Monitoring Officer.
- 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, moderate assurance was given on the adequacy and effectiveness of arrangements in place. There are a number of recommendations made within the Internal Audit review for 2021-22 and previous years that have been incorporated into the Annual Governance Statement 2021-22, which should be used to inform arrangements for future partnership working.

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<sup>1</sup>Moderate Assurance Rating definition: There are weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements, which could have a significant impact on the ability of ERW to achieve its objectives.