



PARTNERIAETH

HEAD OF INTERNAL AUDIT OPINION

2023 - 2024

GWEITHIO MEWN PARTNERIAETH I GYFLAWNI RHAGORIAETH I BAWB
PARTNERSHIP WORKING TO ACHIEVE EXCELLENCE FOR ALL



1.0 Introduction

- 1.1 Internal Audit is an independent, objective assurance and consulting service designed to add value and improve Partneriaeth's operations. It helps Partneriaeth accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of its governance, internal control, financial and risk management arrangements.
- 1.2 The Public Sector Internal Audit Standards (PSIAS) 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".
- 1.3 The purpose of the annual internal audit opinion is to contribute to the assurances available to the Section 151 Officer and the Partneriaeth Joint Committee which underpin the assessment of the effectiveness of the system of internal control for Partneriaeth.
- 1.4 The audit work undertaken has been based on a risk assessment and the Partneriaeth 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 Professional Standards

- 2.1 The professional responsibilities for Internal Auditors are set out in the International Standards for the Professional Practice of Internal Auditing, published by the Chartered Institute of Internal Auditors (CIIA) in the UK and Ireland. The Public Sector Internal Audit Standards (PSIAS) are based on these standards.
- 2.2 Internal Audit continues to be committed to working to the highest professional standards, and to deliver quality services that add value for Partneriaeth. A requirement of the PSIAS is that the Partneriaeth Head of Internal Audit develops and maintains a Quality Assurance and Improvement Programme (QAIP) covering all aspects of the internal audit activity, which is intended to assess the efficiency and effectiveness of the internal audit activity as well as identifying opportunities for improvement. Review of the QAIP has confirmed compliance with the mandatory requirements of the PSIAS.

3.0 Internal Audit Work 2023-24

- 3.1 The Internal Audit Plan for 2023-24 was a risk-based audit plan which was agreed with the Lead Chief Executive, Lead Director, the Section 151 Officer and the Monitoring Officer. The Partneriaeth Joint Committee approved the Internal Audit work plan at their 06 October 2023 meeting. The Internal Audit work plan has been delivered in accordance within the schedule agreed by the Partneriaeth Joint Committee.
- 3.2 The Internal Audit work plan for 2023-24 consisted of a review of the following areas, culminating in an internal audit report being presented to senior officers;
 - A follow-up of previous Internal Audit recommendations and Annual Governance

Statement actions;

- Governance arrangements, including compliance with the Legal Agreement; Meeting Schedules, Forward Work Programming and Meeting Attendance; Code of Corporate Governance; and Decision Making Protocol and Record of Decisions.
- Business Planning, including approval and implementation; Business Planning objectives and costing; and Business Plan monitoring arrangements and progress reporting.
- Financial Management arrangements, including Budgetary Control and Monitoring; Use of Journals; and Financial Sustainability.
- Grant Management, including arrangement for utilisation, monitoring and management of grant funding retained by Partneriaeth.
- Risk Management arrangements, including Risk Register monitoring and Risk Scoring methodology.

3.3 In addition, Internal Audit reviews of the relevant main financial systems operated by Pembrokeshire County Council were undertaken in 2023-24 in order to provide assurance that financial systems remain robust.

4.0 Head of Internal Audit Opinion 2023-24

4.1 In order to form an opinion on each 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 provide reliance on assurances provided by management.

4.2 Due to this, Internal Audit are unable to provide absolute assurance that all governance, internal control, risk management and financial management arrangements in place in the areas audited are fully adequate and effective.

4.3 The Internal Audit Service complies with the PSIAS. In accordance with the PSIAS, the Head of Internal Audit is required to deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual opinion of the Head of Internal Audit was;

For the year ending 31 March 2024, based on the work the Internal Audit Service has undertaken, my opinion is that Partneriaeth has a Reasonable¹ framework of governance, internal control, risk management and financial management arrangements.

¹ Reasonable Framework means that there is generally a sound system of governance, internal control, financial management and risk management arrangements in place.

- 4.4 Management have agreed to implement the recommendations made following the 2023-24 Internal Audit review. The implementation of these recommendations in an effective and timely manner will assist in strengthening the existing governance, internal control, risk management and financial management arrangements currently in place within Partneriaeth.