



INTERNAL AUDIT ANNUAL REPORT & ASSURANCE STATEMENT

Report by Chief Internal Auditor

PURPOSE

- 1.1 The Global Internal Audit Standards (GIAS) require that The Chief Internal Auditor prepares an annual report on the activities of Internal Audit and that the report should contain a view on the adequacy of the Council's governance, risk management and internal control frameworks.

EXECUTIVE SUMMARY

- 2.1 The Internal Audit Annual Report attached at Appendix 1 provides information on the work carried out during the period of the 2024/25 audit plan. The plan covered a 12-month period from 1 April 2024 – 31 March 2025.
- 2.2 All audit findings during the year support and inform the objective opinion of the Chief Internal Auditor on the adequacy of the Council's governance, risk management and internal control environment. The assurance category given to each individual audit informs the overall level of assurance. The annual audit opinion required by GIAS is included in the attached annual report.
- 2.3 Based on the audit work carried out, the opinion of the Chief Internal Auditor is that reasonable assurance can continue to be placed on the adequacy and effectiveness of the Council's systems of governance, risk management and internal control.
- 2.4 A caveat to the assurance assessment would be that the extent of the cyber incident of November 2023 remains a concern to the control environment, particularly with the absence of the financial ledger for a significant period of time.

RECOMMENDATIONS

- 3.1 It is recommended that the Audit and Scrutiny Committee:
- (a) **Notes the content of the Annual Report and the opinion of the Chief Internal Auditor on the Council's governance, risk management and internal control environment at Appendix 1.**

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Appendices: 1. Internal Audit Annual Report & Assurance Statement

IMPLICATIONS

4.1 The following implications are applicable in terms of the Report.

Resource Implications	Implications/None
Financial	None
Legal	Global Internal Audit Standards (GIAS) are mandatory. UK Public Sector PSIAS have been developed to apply across the whole of the public sector in all sectors of government. The GIAS are based on standards issued by the Institute of Internal Auditors (IIA), with additional requirements and interpretations that make them directly applicable to the UK public sector. The GIAS are developed jointly by the relevant internal audit standard setters (RIASS) which include local government.
Staffing	None
Assets and Property	None
Strategic Implications	Implications/None
Risk	Risk implications are identified through the internal audit process.
Equalities	None
Corporate Strategy	By complying with the mandatory Global Internal Audit Standards (GIAS), the Internal Audit team work towards the outcomes to meet strategic priority <i>"4.1.1 The Comhairle has achieved a systematic approach to improving organisational effectiveness that aligns strategy, people and processes and the service provided is high quality, continually improving and cost effective."</i>
Environmental Impact	None
Consultation	None