

Non-Executive Report of the:  <b>Audit Committee</b>  21 July 2020	
<b>Report of:</b> Corporate Director, Governance (Monitoring Officer)	<b>Classification:</b> Open (Unrestricted)
<b>Head of Internal Audit Annual Report 2019/20</b>	

<b>Originating Officer(s)</b>	Paul Rock
<b>Wards affected</b>	(All Wards);

### Executive Summary

This report provides the annual audit opinion of the Head of Internal Audit in accordance with the requirements of the Public Sector Internal Audit Standards. The opinion supports the governance conclusions included within the Annual Governance Statement, which forms part of the statement of accounts required under the Accounts and Audits Regulations 2015.

### Recommendations:

The Audit Committee is recommended to:

1. Note the content and opinion of the Head of Internal Audit as outlined within the Head of Internal Audit Annual Report which includes a summary of the work undertaken during 2019/20.

### 1. REASONS FOR THE DECISIONS

- 1.1 The Accounts and Audit Regulations 2015 require authorities to maintain an adequate and effective system of internal audit of its accounting records and systems of internal control in accordance with proper practices. The Audit Committee has responsibility for oversight over the authority's governance, risk and control frameworks. The annual report from the Head of Internal Audit assists the Audit Committee in discharging this responsibility.

### 2. ALTERNATIVE OPTIONS

- 2.1 None.

### **3. DETAILS OF THE REPORT**

- 3.1 Internal Audit is a statutory requirement for local authorities under the Accounts & Audit Regulations 2015 for English local authorities (including police and fire bodies). The regulations state that a local authority shall maintain an adequate and effective system of internal audit and recognise the need to follow public sector internal audit standards.
- 3.2 The Public Sector Internal Audit Standards (PSIAS) define the way in which internal audit should undertake its functions and requires that a written report is submitted to those charged with governance, which should include an opinion on the overall adequacy and effectiveness of the Council's governance, risk management and internal control frameworks. The annual opinion supports the Annual Governance Statement, which is required under Regulation 6 of the Accounts and Audit Regulations 2015.
- 3.3 The attached report summarises the planned and ad-hoc internal audit and anti-fraud work undertaken by Internal Audit during the 2019/20 financial year. It focusses on the outcomes of audit reviews, management actions, anti-fraud activities and service performance.
- 3.4 The regulations also require that a formal review of the 'effectiveness of the system of internal audit' is conducted. The annual audit opinion together with the review of conformance with the Public Sector Internal Audit Standards provides this assurance.
- 3.5 The annual assurance opinion provided within the annual internal audit report informs and forms part of the 2019/20 Annual Governance Statement (AGS), which will be presented to the Audit Committee separately and included in the accounts.

### **4. EQUALITIES IMPLICATIONS**

- 4.1 There are no specific equality implications.

### **5. OTHER STATUTORY IMPLICATIONS**

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
- Best Value Implications,
  - Consultations,
  - Environmental (including air quality),
  - Risk Management,
  - Crime Reduction,
  - Safeguarding.
  - Data Protection / Privacy Impact Assessment.

5.2 There are no other statutory implications.

## **6. COMMENTS OF THE CHIEF FINANCE OFFICER**

6.1 Other than the requirements on the responsible financial officer set out in the Accounts and Audit Regulations 2015, there are no significant financial implications arising directly from this report. The Head of Internal Audit Annual Report highlights the significant level of savings that are required for the Council to maintain a balanced budget.

## **7. COMMENTS OF LEGAL SERVICES**

7.1 This report and the appendices comply with the Council's legal obligations in respect of auditing and the management of risk. It also demonstrates that the Council has appropriate systems in place to manage its financial affairs in compliance with the Corporate Director Resources' duties under s.151 of the Local Government Act 1972.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- None.

### **Appendices**

- Head of Internal Audit Annual Report

### **Local Government Act, 1972 Section 100D (As amended)**

#### **List of "Background Papers" used in the preparation of this report**

List any background documents not already in the public domain including officer contact information.

- None

#### **Officer contact details for documents:**

Paul Rock

Head of Internal Audit, Anti-Fraud and Risk

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