

8. INTERNAL AUDIT 2019/20 ANNUAL REPORT (DH)

1. Purpose of the report

This report asks Members to consider the Internal Audit 2019/20 Annual Report.

Key Issues

- **The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating in the Authority is that it provides Substantial Assurance. No reliance was placed on the work of other assurance bodies in reaching that opinion.**
- **There are no significant control weaknesses which, in the opinion of the Head of Internal Audit, need to be considered for inclusion in the Annual Governance Statement.**
- **However, the opinion is qualified in light of the current coronavirus pandemic and the impact of this on the Authority.**
- **Out of 7 areas reviewed in 2019/20 4 areas received an opinion of ‘High’ assurance and 3 “Substantial”.**

2. Recommendation(s)

- 1. To note and accept the 2019/20 Annual Report from the Internal Auditors as set out in Appendix 1.**

3. How does this contribute to our policies and legal obligations?

As identified in the Annual Governance Statement, the Internal Audit process is regarded as an important part of the overall internal controls operated by the Authority.

The Internal Audit reports therefore make a significant contribution to the Authority as an agile and efficient organisation by assisting us in developing our organisation so we have a planned and sustained approach to performance at all levels by developing and maintaining appropriate standards of corporate governance and developing key business processes underpinning the Corporate Strategy.

4. Background

The Accounts and Audit Regulations 2015 require that the Authority undertakes an adequate and effective system of internal audit of its accounting records and its system of internal control in accordance with proper practices.

5. Proposals

Members are asked to consider the Internal Audit 2019/20 Annual Report. The report contains the Head of Internal Audit’s overall assurance opinion, and a summary of the key findings in each area audited during the year.

Ian Morton, Assistant Director – Audit Assurance, Veritau will be at the meeting to present the report and answer Members questions.

Are there any corporate implications members should be concerned about?

6. **Financial:**
The cost of the Internal Audit Service contract is found from within the overall Finance budget.
7. **Risk Management:**
The Internal Audit process is regarded as an important part of the overall internal controls operated by the Authority.
8. **Sustainability:**
There are no implications to identify.
9. **Equality:**
There are no implications to identify.
10. **Background papers (not previously published)**
None

Appendices

Appendix 1: Internal Audit annual report for year ended March 2020

Report Author, Job Title and Publication Date

David Hickman, Director of Corporate Strategy and Development, 13 May 2020