

9. INTERNAL AUDIT 2020/21 ANNUAL REPORT (JW)

1. Purpose of the report

This report asks Members to consider the Internal Audit 2020/21 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 in giving the opinion, Head of Internal Audit note that Covid-19 has significantly affected the Authority over the last year, with a wide ranging impact on business operation and controls. While the work of Internal Audit is directed to the areas that are most at risk or provide most value for the Authority it is not possible to conclude on the full extent of the impact of Covid-19 on the operations of the Authority.**
- **Out of the 6 areas audited in 2020/21, 5 areas received an opinion of Substantial Assurance: Creditors, Information Governance, Payroll, Budget Management, Cyber Security and 1 Reasonable Assurance in relation to Vehicles which is reported elsewhere on the agenda.**

2. Recommendations(s)

- 1. To note and accept the 2020/21 Annual Report from the Internal Auditors as set out in Appendix 1**

How does this contribute to our policies and legal obligations?

- 3. 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.

Background Information

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

Proposals

5. Members are asked to consider the Internal Audit 2020/21 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 any Members questions.

Are there any corporate implications members should be concerned about?

Financial:

6. The cost of the Internal Audit Service contract is found from within the overall Finance budget.

Risk Management:

7. The Internal Audit process is regarded as an important part of the overall internal controls operated by the Authority.

Sustainability:

8. There are no implications to identify.

Equality:

9. There are no implications to identify.

10. Climate Change

There are no implications to identify.

11. Background papers (not previously published)

None.

12. Appendices

Appendix 1 - Internal Audit Report 2020/21

Report Author, Job Title and Publication Date

Justine Wells, Head of Finance, 13 May 2021