

Audit and Governance Committee 20th June 2022

Report Title	Internal Audit Annual Report and Opinion 2021/22	
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Contributors/Checkers/Approvers		
S151	09/06/22	
MO		
Other Director/SME		

List of Appendices

Appendix 1: Internal Audit Annual Report and Opinion 2021/22

1. Purpose of Report

- 1.1 To provide the Committee with the Head of Internal Audit's Assurance Opinion for 2021/22 and the Annual Report detailing the basis for this opinion.

2. Executive Summary

- 2.1 The Public Sector Internal Audit Standards (the Standards) require the Chief Internal Auditor (Head of Internal Audit) to provide an annual Internal Audit report and opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework (i.e. the control environment) that can be used by the organisation to inform its Annual Governance Statement. This report provides a copy of the Annual Report which contains the annual opinion and the basis for this, for the Committee's attention.
- 2.2 The overall assurance opinion for 2021/22 is of Satisfactory Assurance. This reflects the significance of issues highlighted in internal audit reviews and the actions taken by management following audit recommendations.

3. Recommendations

- 3.1 It is recommended that the Committee:
- a) Note the Annual Internal Audit Report and Opinion for 2021/22 attached as Appendix 1.
- 3.2 Reason for Recommendations –

- For the Committee to exercise its duties and responsibilities within its Terms of Reference for receiving reports from the Internal Audit service.

4. Report Background

- 4.1 Based upon the work undertaken by Internal Audit during 2021/22, the Head of Internal Audit's overall opinion on the Council's control environment is that a level of Satisfactory Assurance can be given over the Council's systems of internal control, governance and risk management. However, no systems of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance. The limitations to this opinion, where audit coverage has been limited, are explained further within the complete opinion statement and this includes coverage on IT risks.
- 4.2 Appendix 1 provides a copy of the Annual Report which includes the detailed Head of Internal Audit opinion on the Council's control framework for 2021/22 and the basis for this opinion.
- 4.3 Delivery against the audit plan has been reported to the Audit and Governance Committee during 2021/22. A summary of all reports which have been finalised since the last committee meeting are provided within the Annual Report.
- 4.4 The report also provides an overview of implementation of agreed actions arising from audit assignments in 2021/22, investigation activity and conformance with the Public Sector Internal Audit Standards.

5. Issues and Choices

- 5.1 The report provides the Internal Audit Annual Report and Opinion for 2021/22. There are no alternative recommendations arising from this report.

6. Implications (including financial implications)

6.1 Resources and Financial

- 6.1.1 None specific to this report.

6.2 Legal

- 6.2.1 None specific to this report.

6.3 Risk

- 6.3.1 None specific to this report.

6.4 Consultation

- 6.4.1 None specific to this report.

6.5 Consideration by Scrutiny

6.5.1 Not required on this occasion.

6.6 **Climate Impact**

6.6.1 None specific to this report.

6.7 **Community Impact**

6.7.1 None specific to this report.

7. Background Papers

7.1 None.