

Title: Internal Audit Annual Report 2021/22
Lead Officer: Richard Barr
Portfolio Holder: Councillor Hales
Wards of the District directly affected: Not applicable

Summary

Forming part of the evidence for the Annual Governance Statement, the Internal Audit Annual Report presents a summary of the internal work undertaken during 2021/22 and provides a conclusion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Recommendation

- 1 That this Committee should consider the Annual Report of Internal Audit for the year ended 31 March 2022 as part of its consideration and approval of the Annual Governance Statement 2021/22.
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1 Background to the Annual Governance Statement & Requirement for Internal Audit Annual Report

- 1.1 The Public Sector Internal Audit Standards state:

The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report must incorporate:

- *the opinion;*
- *a summary of the work that supports the opinion; and*
- *a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.*

- 1.2 The Annual Report, in the format and comprising the topics prescribed by the Public Sector Internal Audit Standards, is set out as Appendix 1.

2 Alternative Options available to Committee

- 2.1 The report is not based on 'project appraisal' so this section is not applicable.

3 Consultation and Members' comments

- 3.1 Include any comments received in response to the consultation on the report.

No comments received.

4 Implications of the proposal

4.1 Legal/Human Rights Implications

4.1.1 Include a summary of the legal or human rights implications of the proposal.

Not applicable.

4.2 Financial

4.2.1 Include a summary of the financial implications of the proposal

Not applicable.

4.3 Council Plan

4.3.1 External Impacts

People - Health, Homes, Communities

Services - Green, Clean, Safe

Money- Infrastructure, Enterprise, Employment

Although there are no direct policy implications, internal audit is an essential part of corporate governance and will be a major factor in shaping the Policy Framework and Council policies.

4.3.2 Internal Impacts

People - Effective Staff

Services - Maintain or Improve Services

Money - Firm Financial Footing over the Longer Term

Although there are no direct policy implications, internal audit is an essential part of corporate governance and will be a major factor in shaping the Policy Framework and Council policies.

4.4 Environmental/Climate Change Implications

4.4.1 An effective internal audit function can assist the Council achieve its environmental and climate emergency objectives

4.5 Analysis of the effects on Equality

4.5.1 An effective internal audit function can help the Council achieve its equality obligations.

4.6 Data Protection

9.6.1 An effective internal audit function can help the Council achieve its data protection objectives.

4.7 Health and Wellbeing

- 9.7.1 An effective internal audit function can help the Council achieve its health and wellbeing objectives.

5 Risk Assessment

- 5.1 The whole report is about risks and the risk environment. Clearly there are governance-related risks associated with weak internal control, risk management and governance processes.

6 Conclusion/Reasons for the Recommendation

- 6.1 Forming part of the evidence for the Annual Governance Statement, the Internal Audit Annual Report presents a summary of the internal work undertaken during 2021/22 and provides a conclusion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. The Committee is required to consider the Annual Report of Internal Audit for the year ended 31 March 2022 as part of its consideration and approval of the Annual Governance Statement 2021/22. This is because the Public Sector Internal Audit Standards require that "The 'chief audit executive' must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement."

Background papers:

Please provide a list of any papers which you have referred to in compiling this report and are not published documents. This is a legal requirement.

You must also supply these when submitting the report.

All Papers referred to in this report are published documents.

Supporting documents:

Internal Audit Reports.

Report Information Sheet

Committee/Date	Audit & Standards Committee – 14 June 2022	
Title of report	Internal Audit Annual Report 2021/22	
Consultations undertaken		
Consultee *required	Date	Details of consultation / comments received
Ward Member(s)		
Portfolio Holder WDC & SDC *	12/5/2022	
Financial Services *		
Legal Services *		
Other Services		
Chief Executive(s)	5/5/2022	
Head of Service(s)	5/5/2022	
Section 151 Officer	5/5/2022	
Monitoring Officer	5/5/2022	
CMT (WDC)	5/5/2022	
Leadership Co-ordination Group (WDC)	5/5/2022	
Other organisations		
Final decision by this Committee or rec to another Cttee/Council?		The former.
Contrary to Policy/Budget framework		No
Does this report contain exempt info/Confidential? If so, which paragraph(s)?		No
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?		No.
Accessibility Checked?		File/Info/Inspect Document/Check Accessibility