

**27 JUNE 2022**

**Internal Audit Annual Report and Head of Internal Audit Opinion 2021/22**

**Ward(s):** All

**Portfolios:** All

**Purpose: For Information**

**1. Aim**

- 11 The Accounts and Audit Regulations 2015 came into effect on 1<sup>st</sup> April 2015 and require councils to undertake an effective Internal Audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards (PSIAS) or guidance. The PSIAS requires that Internal Audit provide an annual report to the Audit Committee timed to support the Annual Governance Statement. This report meets that requirement.

**2. Summary**

- 2.1 This annual report covers the work we have undertaken for the year ended 31<sup>st</sup> March 2022, and incorporates our audit opinion on the adequacy and effectiveness of the council's framework of governance, risk management and internal control.

**3. Recommendations**

- 3.1 That Audit Committee receive and note the report.
- 3.2 That when considering the Annual Governance Statement, Audit Committee take into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.

**4. Report detail – know**

*Control Environment*

- 4.1 The Audit Committee's activities include ensuring that an effective internal control environment is maintained. This report supports the Audit Committee in exercising that role.

*Assurance of Controls*

- 4.2 Part of Internal Audit's role is to provide assurance in the council's performance and risk management arrangements. Internal Audit's programme of work is risk assessed to ensure areas most at risk are examined as a priority.

## *Strategic Risks/Annual Statements*

4.3 The Internal Audit Plan for 2021/22 was considered and approved by the Audit Committee at its meeting on 23<sup>rd</sup> March 2021. The risks in the Strategic Risk Register informed this plan.

### **5. Financial information**

5.1 Internal audit days provided is set out in the Internal Audit contract with Mazars. The work for 2021/22 was within budget and in line with the contract.

### **6. Reducing Inequalities**

6.1 Internal Audit has full regard to equalities both within the internal audit service and in the services / activities under review.

### **7. Decide**

7.1 The Committee may wish to comment on the Opinion prior to noting it.

### **8. Respond**

8.1 All internal audit reports that were afforded a limited assurance opinion in 2021/22 were submitted to Audit Committee for consideration. The Audit Committee may, during 2022/23 called those relevant accountable senior managers to provide re-assurance that actions are being taken to address the identified weaknesses in control.

### **9. Review**

9.1 Internal Audit will follow up on all High priority recommendations raised in 2021/22 and report progress back to Audit Committee during 2022/23.

### **Background papers**

Internal audit plan 2021/22

Internal audit reports

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