

AUDIT AND ACCOUNTS COMMITTEE

28 JULY 2021

ANNUAL INTERNAL AUDIT REPORT

1.0 Purpose of Report

1.1 The purpose of the annual internal audit report (**Annex A**) is to provide a summary of Internal Audit work undertaken during 2020/2021 to support the Annual Governance Statement by providing an opinion on the organisation's governance, risk, financial and internal control environment.

2.0 Background Information

2.1 The Annual Internal Audit Report:-

- Includes an opinion on the overall adequacy and effectiveness of the organisation's governance, risk, financial and internal control environments.
- Discloses any qualifications to that opinion, together with the reasons for the qualification.
- Summarises audit work undertaken, including reliance placed on the work of other assurance bodies where applicable.
- Draws attention to any issues that are particularly relevant to the Annual Governance Statement.
- Summarises the performance of the internal audit function against its key performance measures.
- Comments on compliance with standards.

2.2 Whilst we cannot provide absolute assurance on the governance, risk, finance and internal control environments we can provide reasonable assurance that it is working as intended.

2.3 We have noticed a marked improvement across all areas of the opinion and have regraded both Risk and Financial control to be "Performing Well" compared with the previous year, whilst the areas of Governance and Internal Control continue to be "Performing Adequately". The direction of travel for all areas is an improving one, and all four are positive assurance levels.

2.4 The opinion should be considered as part of the process to prepare the Annual Governance Statement by the Audit and Accounts Committee and relevant Council officers.

3.0 Proposals

3.1 To receive and comment upon the Annual Internal Audit Report 2020/21.

4.0 Equalities Implications

4.1 Equality impact assessments are produced by each of the service areas that are audited, and where appropriate these will be taken into account during the course of an audit.

5.0 Community Plan- alignment to objectives

5.1 The Internal Audit Plan underpins the delivery of the Community Plan. Through assurance gained from Internal Audit, Council can be satisfied that internal processes are working in a controlled manner, achieving the aims and objectives set out within the Community Plan.

6.0 Financial Implications (FIN21-22/9565)

6.1 There are no direct financial implications arising from this report.

7.0 RECOMMENDATION(S)

7.1 **That the Audit & Accounts Committee consider and comment upon the annual internal audit report.**

Background Papers

Nil.

For further information please contact Lucy Pledge on 01522 553692.

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