

REPORT TITLE: AUDITOR'S ANNUAL REPORT 21/22

21 JULY 2022

REPORT OF CABINET MEMBER: Cllr Margot Power, Cabinet Member for Finance and Value

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WARD(S): ALL

PURPOSE

The purpose of this paper is to provide the Audit and Governance Committee with the Chief Internal Auditor's opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2021-22.

RECOMMENDATIONS:

1. The Audit and Governance Committee note the Chief Internal Auditor's Annual Report and Opinion for 2021-22 attached as Appendix 1.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 Internal audit plays a vital role in supporting the Council accomplish plan outcomes by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.2 The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.
- 1.3 The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the Council Plan Outcomes.

2 FINANCIAL IMPLICATIONS

- 2.1 The Internal Audit Plan is comprised of 310 resource days and was delivered within the agreed budget.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None directly from this report.

4 WORKFORCE IMPLICATIONS

- 4.1 The internal audit service is provided to the Council by the Southern Internal Audit Partnership. Winchester City Council is a key stakeholder partner in this collaborative partnership with 13 other local councils, fire authorities and police forces.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None directly from this report.

6 CONSULTATION AND COMMUNICATION

- 6.1 The Executive Leadership Board and Corporate Head of Resources have been consulted on the contents of the Annual Internal Audit Report and Opinion 2021-22.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None directly from this report.

8 PUBLIC SECTOR EQUALITY DUTY

8.1 None arising from the content of the report. However, officers consider the Council's responsibilities under the Equalities Act 2010 when making any changes and decisions based on the outcomes of internal audit recommendations; completing an Equality Impact Assessment when required.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required.

10 RISK MANAGEMENT

10.1 The Southern Internal Audit Partnership follow a risk-based audit approach in which risks and controls associated with the achievement of defined business objectives are identified and both the design and operation of the controls in place to mitigate key risks are assessed and tested, to ascertain the residual risk to the achievement of managements' objectives. Any audit work intended to provide an audit opinion is undertaken using this approach.

Risk	Mitigation	Opportunities
Financial Exposure & exposure to challenge	Internal Audit supports the Council to ensure proper financial management through its audit activities and assurance service.	Enhancement of the Council's reputation through the strengthening of the effectiveness of risk management, control and governance processes.

11 SUPPORTING INFORMATION:

11.1 In accordance with the Public Sector Internal Audit Standards, the Chief Internal Auditor is required to provide a written report reviewing the effectiveness of the system of internal control to inform the production of the Annual Governance Statement.

11.2 The Annual Report for 2021-22 (attached at Appendix 1) provides the Chief Internal Auditor's opinion on the system of internal control and summarises the audit work from which that opinion is derived for the year ending 31 March 2022.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

AG051 – Internal Audit Report and Opinion 2020-21.

Other Background Documents:-

None

APPENDICES:

Appendix 1 – Annual Internal Audit Report and Opinion 2021-22