

WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE

20TH JULY 2020

Title:

ANNUAL INTERNAL AUDIT REPORT FOR 2019-20

Lead Councillor: Councillor Peter Marriott, Chairman of the Audit Committee

Strategic Director: Graeme Clark

Key decision: Yes

Access: Public

1. Purpose and summary

1.1 Purpose and summary of the report.

1.2 The Accounts and Audit Regulations 2015 (Part 2 s3) require local authorities to have a sound system of internal control and Internal Audit is part of this system of internal control. Part 2 (s5) of the Regulations state that an authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes. This report is a summary of the work carried out by Internal Audit during the financial year 2018-19 and also provides an audit opinion to support the Annual Governance Statement on the organisation's control environment.

2. Recommendation

It is recommended that the Audit Committee considers and notes the annual internal audit report and audit opinion for 2019/20.

3. Reason for the recommendation

To enable the Audit Committee to be informed of the work that has been completed to date to provide them with assurance that the control environment is working as intended.

4. Background

4.1 As a result of the vacant in-house auditor position not being filled changes were made to the original Internal Audit Plan which were approved at the March 2019 Audit Committee. At the November 2019 Audit Committee the committee received

an action plan that included the reassessment of the audit coverage for 2019/20, including revising and rescheduling of the plan according to priorities. This resulted in the decision to procure an additional 37 days from our current provider of Internal Audit services, Southern Internal Audit Partnership (SIAP) as agreed with the Chair and Vice-Chair of the Audit Committee. The Committee is to note that an additional review relating to Ethics and Culture has been deferred to 2020-21 as the Governance review being completed by Members has not been finalised and it was deemed more effective to await the outcomes before any value can be obtained from an Internal Audit review of the governance arrangements around ethics.

- 4.2 The services of the contractor (SIAP) provided 138 days, Each review initially allocated to SIAP in April 2019 is marked by a single asterisk and those indicating new additional revisions after April allocation are marked by two.
- 4.3 The remaining reviews currently shown in Annexe 1 in Para 6 (Adjustments to the Internal Audit Plan) have been included in next year's Internal Audit Plan for 2020/21.

5. Relationship to the Corporate Strategy and Service Plan

- 5.1 A financially sound Waverley, with infrastructure and services fit for the future

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

Maintenance of an effective internal audit service to Waverley Borough Council that embraces the requirements of the CIPFA Code of Practice, the Public Sector Internal Auditing Standards and other professional internal audit institutes such as the IIA.

6.2 Risk management

The work completed by Internal Audit provides an independent assessment of the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

6.3 Legal

This report fulfils a legal requirement "to report the annual activity of the Audit Service" as contained in the Accounts and Audit Regulations.

6.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

6.5 Climate emergency declaration

There are no direct implications in this report

7. Consultation and engagement

- 7.1 Heads of Service, Management Board and the Chairman and Vice-Chairman of the Audit Committee were engaged throughout the year on the internal audit activity.

8. Other options considered

- 8.1 N/A

9. Governance journey

- 9.1 The minutes of the meeting will be included on the next Council agenda.

Annexes:

Annexe 1 – Annual Internal Audit Report for 2019-20

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

CONTACT OFFICER:

Name: Gail Beaton
Position: Internal Audit Manager
Telephone: 01483 523260
Email: gail.beaton@waverley.gov.uk

Agreed and signed off by:
Legal Services: 02/07/2020
Head of Finance: 03/07/2020
Strategic Director: 03/07/2020
Portfolio Holder: N/A