

WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE

6TH SEPTEMBER 2021

Title:

ANNUAL INTERNAL AUDIT REPORT FOR 2020-21

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 2020-21 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 2020-21.

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 The 2020-21 Internal Audit Plan was approved at the March 2020 Audit Committee to be completed with a combination of the internal resource of the Internal Audit Manager (195 days) and the external contractor Southern Internal Audit

Partnership (SIAP) for 155 days to provide a total of 350 days. With the occurrence of Covid-19 the commencement of planned reviews were delayed or rescheduled until staff, were available as some were redeployed to deal with Covid Grants and community support activities, and also the technology being available to enable reviews to be completed remotely. In this unprecedented challenging time Internal audit commenced reviews later than intended around June 2020 this resulted in the delivery of 20 Internal Audit reviews. This delay has resulted in reviews overlapping into this financial year and where changes have been made to the plan 330 audit days have been provided.

4.2 There are some reviews still in progress that need to be concluded to final report stage. The contents of these reviews including an advisory review but indicate that there are no implications that will affect the annual opinion provided in this report.

4.3 Those reviews that were previously agreed at the March 2020 audit committee that have been replaced with other reviews were reassessed in the preparation of the 2021-22 Audit Plan and where applicable have been included in the 2021-22 Audit Plan.

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 2020-21

Background Papers

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

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Agreed and signed off by:
Legal Services: 05/07/2021
Head of Finance: 02/07/2021
Strategic Director: 12/07/2021
Portfolio Holder: N/A