

<b>DECISION-MAKER:</b>	GOVERNANCE COMMITTEE		
<b>SUBJECT:</b>	CHIEF INTERNAL AUDITOR'S ANNUAL REPORT AND OPINION 2013/14		
<b>DATE OF DECISION:</b>	14 JULY 2014		
<b>REPORT OF:</b>	CHIEF INTERNAL AUDITOR		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	<b>Neil Pitman</b>	<b>Tel: 01962 845139</b>
	<b>E-mail:</b>	<a href="mailto:Neil.pitman@southampton.gov.uk">Neil.pitman@southampton.gov.uk</a>	
<b>Director</b>	<b>Name:</b>	<b>Mark Heath</b>	<b>Tel: 023 8083 2371</b>
	<b>E-mail:</b>	<a href="mailto:Mark.heath@southampton.gov.uk">Mark.heath@southampton.gov.uk</a>	

#### STATEMENT OF CONFIDENTIALITY

NOT APPLICABLE

#### BRIEF SUMMARY

In accordance with proper internal audit practices, the Chief Internal Auditor is required to provide an opinion on the adequacy and effectiveness of the Council's framework of risk management, internal control and governance. The attached report (Appendix 1) provides the Chief Internal Auditor's opinion and summarises audit work from which that opinion has been derived for the year ending 31 March 2014. The report concludes that Southampton City Council's framework of governance, risk management and management control is 'Adequate'. Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

#### RECOMMENDATIONS:

- (i) That the Governance Committee approves the Chief Internal Auditor's Annual Report and Opinion for 2013/14

#### REASONS FOR REPORT RECOMMENDATIONS

1. The Accounts and Audit (England) Regulations 2011 state 'a relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control'

#### ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. None

#### DETAIL (Including consultation carried out)

3. In accordance with proper internal audit practices, the Chief Internal Auditor is required to provide an opinion on the adequacy and effectiveness of the Council's framework of risk management, internal control and governance and to assist in producing the Annual Governance Statement

4. The Annual Report for 2013/14 provides the Chief Internal Auditor's opinion on the system of internal control and summarises audit work from which that opinion is derived for the year ending 31 March 2014.
5. The Committee's attention is drawn to the following points:
  - Internal audit was compliant with the Public Sector Internal Audit Standards during 2013/14;
  - The revised internal audit plan for 2013/14 has been substantially delivered;
  - The Council's framework of governance, risk management and management control is considered to be 'Adequate' and audit testing has demonstrated controls to be working in practice; and
  - Where internal audit work identified areas where management controls could be improved or where systems and laid down procedures were not fully followed, appropriate corrective actions and a timescale for improvement were agreed with the responsible managers.

**RESOURCE IMPLICATIONS**

**Capital/Revenue**

6. None

**Property/Other**

7. None

**LEGAL IMPLICATIONS**

**Statutory power to undertake proposals in the report:**

8. The Accounts and Audit (England) Regulations 2011 state 'a relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control'.

**Other Legal Implications:**

9. None

**POLICY FRAMEWORK IMPLICATIONS**

10. None

**KEY DECISION?** No

<b>WARDS/COMMUNITIES AFFECTED:</b>	None
------------------------------------	------

## SUPPORTING DOCUMENTATION

### Appendices

1.	Chief Internal Auditor's Annual Report and Opinion 2013/14
----	--

### Documents In Members' Rooms

1.	None
----	------

### Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	Yes/No
--	--------

### Other Background Documents

**Equality Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
----	------	--