

DECISION-MAKER:	GOVERNANCE COMMITTEE
SUBJECT:	ANNUAL INTERNAL AUDIT OPINION 2019-20
DATE OF DECISION:	27th JULY 2020
REPORT OF:	CHIEF INTERNAL AUDITOR

<u>CONTACT DETAILS</u>			
Executive Director	Title	FINANCE	
	Name:	John Harrison	Tel: 023 8083 4897
	E-mail	John.Harrison@southampton.gov.uk	
Author:	Title	CHIEF INTERNAL AUDITOR	
	Name:	Elizabeth Goodwin	Tel: 023 8083 4616
	E-mail	Elizabeth.Goodwin@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
N/A	
BRIEF SUMMARY	
<p>On an annual basis and in accordance with the Public Sector Internal Audit Standards 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.</p> <p>The annual opinion for 2019-20 is that 'limited assurance' can be provided. Four audit opinion levels are in place and these are: no assurance, limited assurance, reasonable assurance and full assurance.</p> <p>The detailed results show a decrease in the number of 'no assurance or limited assurance' audit findings compared to the previous financial year which is an indication that the direction of travel continues to improve. This is a positive indicator despite the overall assurance level of 'limited' that has been attributed to this year which is as a result of pockets of control failures and risk exposure that still require addressing.</p> <p>During the course of the year 60 high risk exceptions were raised along with 49 medium and 8 low. The details of all work carried out can be found in Appendix 1.</p> <p>In addition to the opinion an update is provided on the work carried out since the last reporting period. During this period, an audit of St. Monica Primary School received a 'no assurance' opinion. The executive summary of this report has been attached in full under Appendix 2.</p>	
RECOMMENDATIONS:	
	(i) That the Governance Committee notes the Chief Internal Auditor's Annual Audit Opinion for 2019-20.
REASONS FOR REPORT RECOMMENDATIONS	

1.	In accordance with proper internal audit practices (Public Sector Internal Audit Standards) and the Internal Audit Charter, the Governance Committee is required to receive the Chief Internal Auditor's Annual Report & Opinion for 2019-20.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	None
DETAIL (Including consultation carried out)	
3.	The opinion has been shared with member of the Executive Management Board including the s151 officer.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
4.	None
<u>Property/Other</u>	
5.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
6.	The Accounts and Audit (England) Regulations 2015 state 'a relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards.
<u>Other Legal Implications:</u>	
7.	None
RISK MANAGEMENT IMPLICATIONS	
8.	Failure to maintain an effective internal audit functions would result in a failure of the organisation meeting its statutory responsibilities in relation to the Annual Governance Statement and Annual Audit Opinion.
POLICY FRAMEWORK IMPLICATIONS	
9.	None.

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Annual Internal Audit Opinion for 2019-20
2.	St. Monica 'No Assurance' Report
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
Other Background Documents Other Background documents available for inspection at:	
Title of Background Paper(s): Results of work carried out to date.	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)