



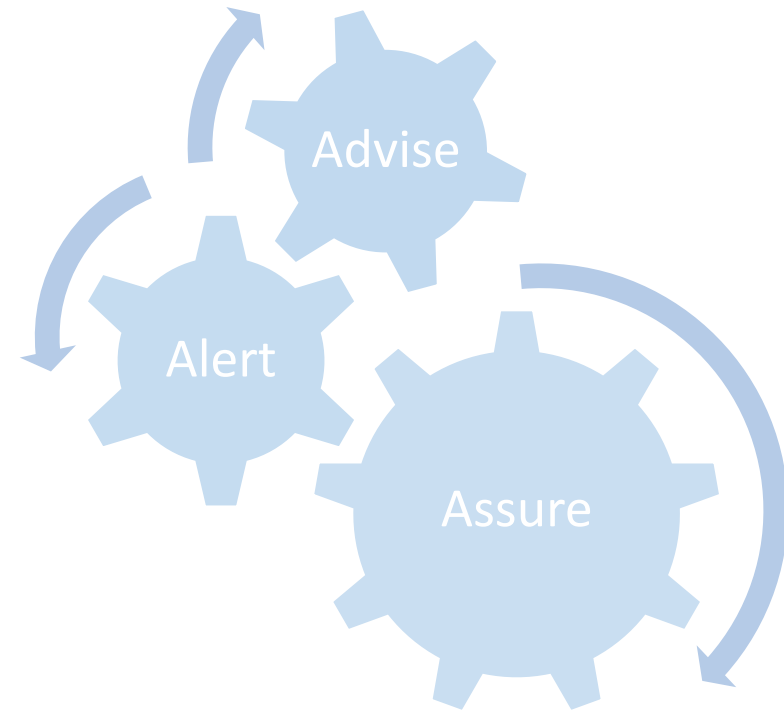
**SOUTHAMPTON**  
CITY COUNCIL

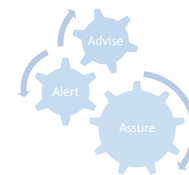
# Southampton City Council - Annual Audit Report

2018/19

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Chief Internal Auditor





## Contents

Pages 3 - 4	Background
Page 5	Annual Opinion for 2018/19
Page 6	Audit Assurance Levels - Comparing 2017/18 and 2018/19 Audit Results
Pages 7	Audit Assurance Levels - Per Service Directorate for 2018/19 Audits
Pages 8	Key Areas of Concern
Pages 9	Exception Analysis by Risk Classification
Page 10	Exception Analysis - Comparing 2017/18 and 2018/19 Audit Results
Page 11	Follow Up Analysis for all 2018/19 Follow Up Audits
Page 12-13	Quality Assurance
Page 13-17	Completed Audits, Since the Last Reporting Period
Pages 18-20	Public Sector Internal Audit Standards



# 1. Background

## 1.1 Public Sector Internal Audit Standards

1.2 On 1<sup>st</sup> April 2013 the 'Public Sector Internal Audit Standards' (PSIAS) were formally adopted in respect of Local Government across the UK. The PSIAS apply to all internal service providers, whether in-house, shared services or outsourced. The Standards were revised from 1 April 2016 to incorporate the mission of Internal Audit and Core Principles for the Professional Practice of Internal Auditing.

1.3 The Accounts and Audit Regulations 2015 Section 5, define the requirement for an internal audit function within Local Government stating that:

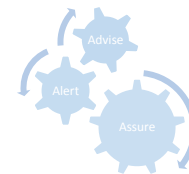
'A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'

1.4 The responsibility for maintaining an adequate and effective system of internal audit within Southampton City Council lies with the Director of Finance & Commercialisation (S151 Officer).

1.5 The Chief Internal Auditor is responsible for effectively managing the internal audit activity in accordance with the '*Definition of Internal Auditing*', the '*Code of Ethics*' and '*the Standards*'.

1.6 In accordance with the PSIAS the definition of Internal auditing is;

'Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.



1.7 In addition the Chief Internal Auditor will provide an Annual Internal Audit Opinion based on an objective assessment of the Authority's framework of governance, risk management and control.

1.8 The Annual Internal Audit Opinion must incorporate;

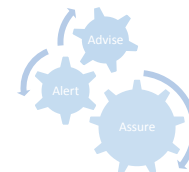
- The Opinion;
- A summary of the work that supports the Opinion; and
- A statement on conformance with PSIAS and the results of the quality assurance and improvement programme.

### **1.9 Statement of Organisational Independence**

1.10 The Internal Audit Section has no operational responsibilities for any financial systems, including system development and installation. It does however manage and oversee the arrangements for 'auditing' Direct Payments and provides advice on control implementation and risk mitigation where relevant and throughout the design and implementation stages of new systems.

1.11 The Chief Internal Auditor is free from interference, although has due regard for the Authority's key objectives and risks and consults with Members and Officers charged with governance, when setting the priorities of the annual audit plan, for example; in determining the scope and objectives of work to be carried out and in performing the work and communicating the results of each audit assignment. There must be and is no compromise on the ability of Internal Audit to provide an independent assurance on the control framework.

1.12 The Internal Audit Section has free and unfettered access to the s151 Officer, Chief Executive, Monitoring Officer the Leader of the Council and the Chair of the Governance Committee.

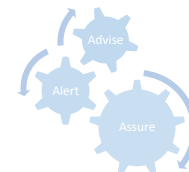


## 2. Annual Opinion for 2018/19

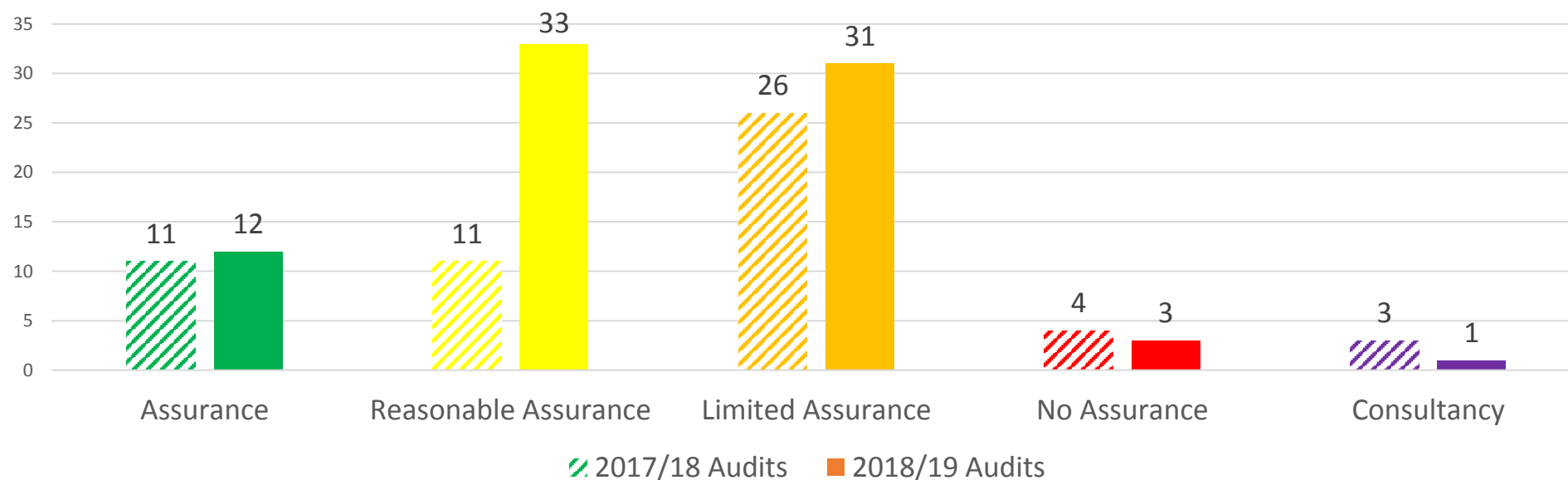
- 2.1 With effect from the 1<sup>st</sup> April 2017 and in partnership with Portsmouth City Council an in-house team to provide audit service has been established. The team currently consists of an Audit Manager and two Auditors, who are both undertaking professional qualifications. The service is provided by a combination of the in-house provision and colleagues from Portsmouth City Council overseen by a shared Chief Internal Auditor employed by Portsmouth City Council.
- 2.2 Over the course of the year (2018/19) the audit service has completed 80 reviews. These include a combination of full audits and follow up reviews. The results of the work carried out show that the level of limited and no assurance reviews have decreased compared with the results from the previous year which would indicate that the position has stabilised in respect of the effectiveness of the internal control environment. However an area that is less positive is the lack of movement on the implementation of agreed actions to resolve risk exposure indicating that the Authority still has a number of areas that it needs to address.
- 2.3 Four audit opinion levels are in place and these are: no assurance, limited assurance, reasonable assurance and full assurance. Where there are mainly medium or low risk exceptions the annual audit opinion would be reasonable or full assurance. As a result of the findings identified the audit opinion for 2018/19 will remain at limited assurance.

No Assurance	<b>Limited Assurance</b>	Reasonable Assurance	Full Assurance
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- 2.4 Any significant corporate weaknesses and agreed actions will be reflected in the Annual Governance Statement. The impact of the Internal Audit work for 2017/18 may affect that year's work for External Audit. It may also inform their work for 2018/19 and where they consider there are weaknesses in control that could materially affect the accounts they may need to carry out further work to gain the necessary audit assurance required for a true and fair view of the financial position and compliance with professional codes of practice.



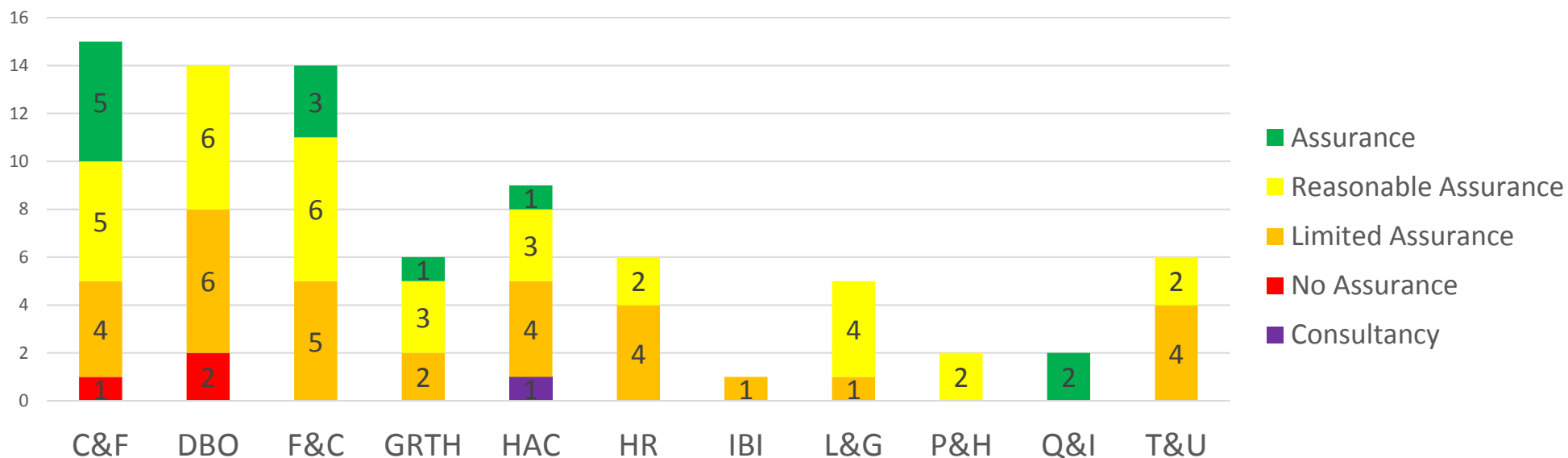
### 3. Audit Assurance Levels - Comparing 2017/18 and 2018/19 Audit Results



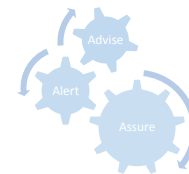
	2017/18 Audits	2018/19 Audits	Total
Assurance	11	12	23
Reasonable Assurance	11	33	44
Limited Assurance	26	31	57
No Assurance	4	3	7
Consultancy	3	1	4
<b>Grand Total</b>	<b>55</b>	<b>80</b>	<b>135</b>



#### 4. Audit Assurance Levels - Per Service Directorate for 2018/19 Audits



	C&F	DBO	F&C	GRTH	HAC	HR	IBI	L&G	P&H	Q&I	T&U
Assurance	5		3	1	1					2	
Reasonable Assurance	5	6	6	3	3	2		4	2		2
Limited Assurance	4	6	5	2	4	4	1	1			4
No Assurance	1	2									
Consultancy					1						
<b>Grand Total</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>6</b>	<b>9</b>	<b>6</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>6</b>



## 5. Key Areas of Concern

5.1 The 'no assurance' audits noted above relate to the following areas:

- IT Procurement & Disposal (Digital and Business Ops)
- Mobile Devices (Digital and Business Ops)
- Mount Pleasant School (Children & Families)

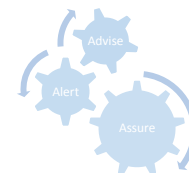
5.2 Follow up reviews to ascertain the current position of all 'no assurance' areas will be performed over the course of the year. Until this work is completed they will remain as an area of concern.

5.3 During 2018/19 Internal Audit carried out follow up reviews on all areas where 'no assurance' was provided under the 2017/18 audit plan. The results show the following movement.

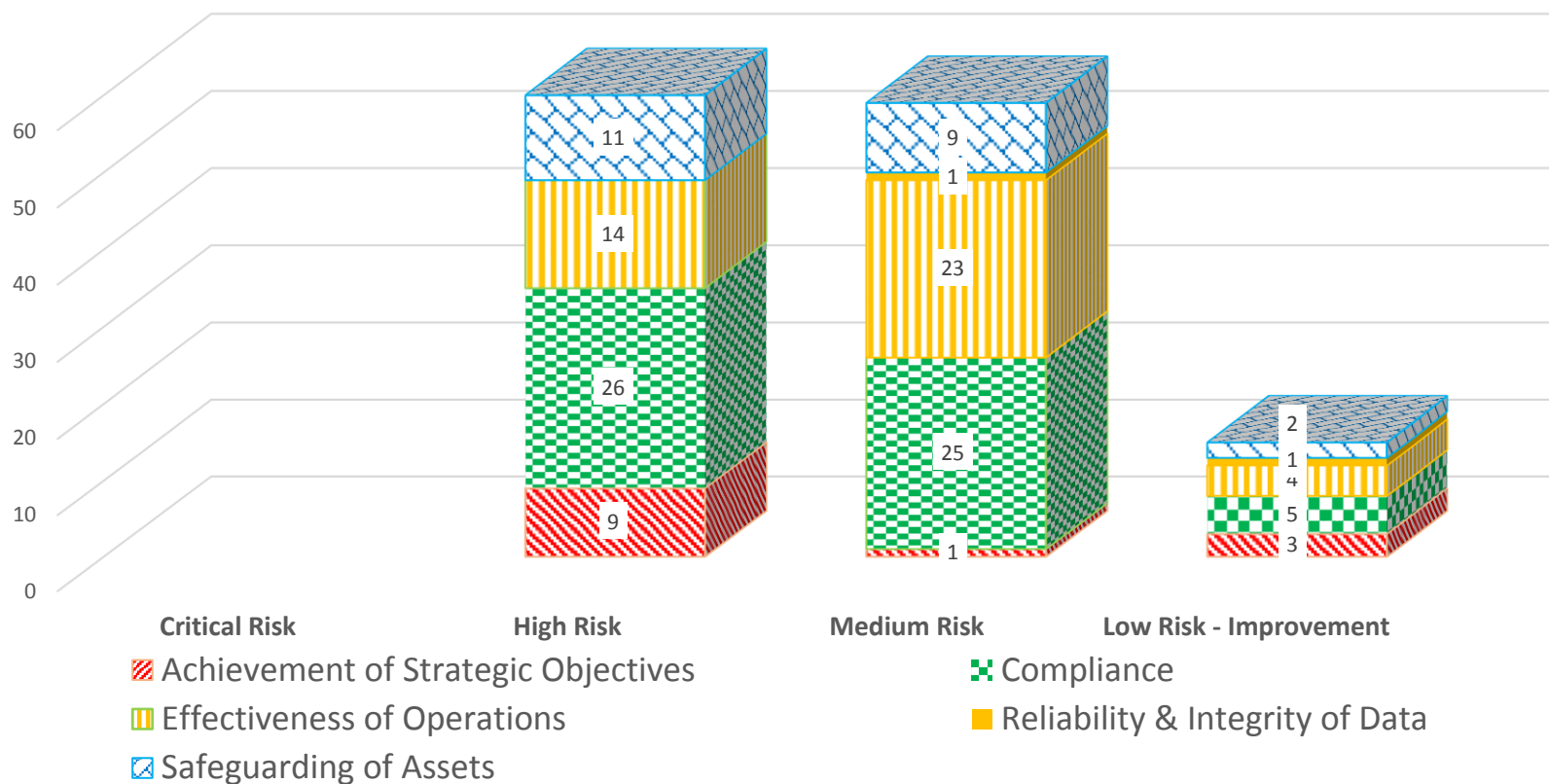
- Accounts Payable - post follow up assurance level - Limited Assurance
- Procurement - post follow up assurance level - Limited Assurance
- Appointeeship - post follow up assurance level - Reasonable Assurance

5.4 Studio 144 was the remaining audit performed during 2017/18 where a 'no assurance' opinion was attributed. Whilst no follow up was carried on Studio 144 (as this was a historic project), a follow up review was performed on the 'project management' framework arrangements, which resulted in a Reasonable Assurance.

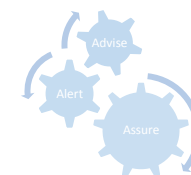




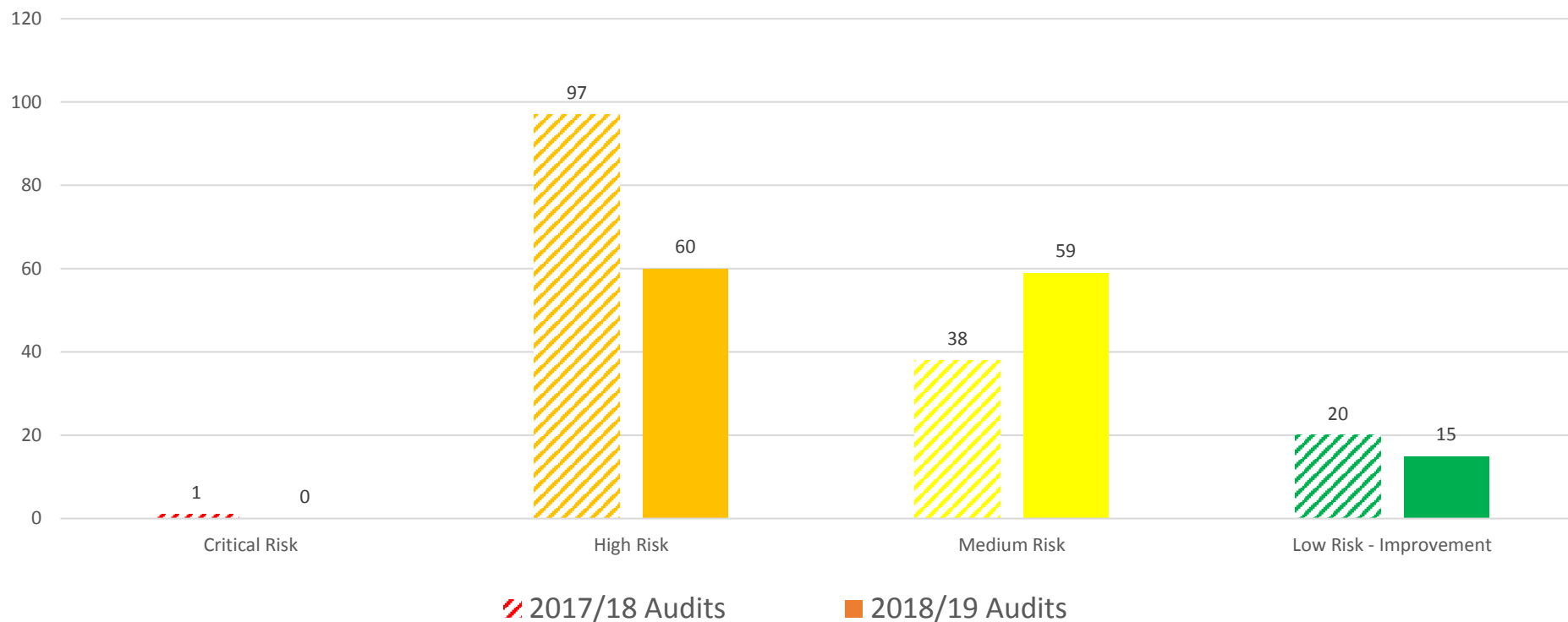
## 6. Exception Analysis by Risk Classification



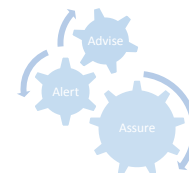
	Achievement of Strategic Objectives	Compliance	Effectiveness of Operations	Reliability & Integrity	Safeguarding of Assets	Total
Critical Risk						0
High Risk	9	26	14		11	60
Medium Risk	1	25	23	1	9	59
Low Risk - Improvement	3	5	4	1	2	15
<b>Grand Total</b>	<b>13</b>	<b>56</b>	<b>41</b>	<b>2</b>	<b>22</b>	<b>134</b>



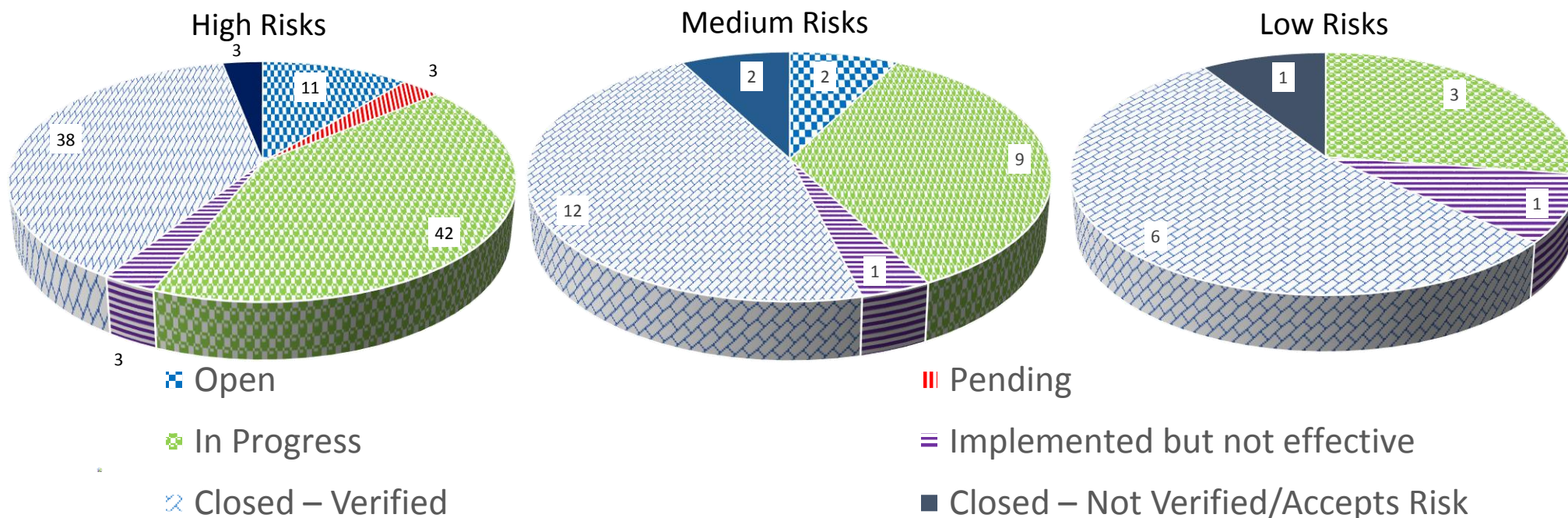
## 7. Exception Analysis – Comparing 2017/18 and 2018/19 Audit Results



	2017/18 Audits	2018/19 Audits
Critical Risk	1	0
High Risk	97	60
Medium Risk	38	59
Low Risk - Improvement	20	15
<b>Grand Total</b>	<b>156</b>	<b>134</b>



## 8. Follow Up Analysis for all 2018/19 Follow Up Audits



	Open	Pending	In Progress	Implemented but not effective	Closed – Verified	Closed – Not Verified	Closed – Management Accepts Risk
Critical Risk							
High Risk	11	3	42	3	38	3	
Medium Risk	2		9	1	12		2
Low Risk			3	1	6		1
<b>Grand Total</b>	<b>12</b>	<b>3</b>	<b>52</b>	<b>4</b>	<b>54</b>	<b>3</b>	<b>2</b>

The Internal Audit Service follows up all audits where at least 1 high risk exception has been raised. These audits are followed up in the next financial year to allow for agreed actions to be sufficiently implemented. Any critical risk exceptions are followed up within 3 months due to the potential severity of the risks identified. The overall position of the **137** exceptions followed up through 2018/19 shows that **39%** have been closed and verified by audit, however **61%** remain open and or are in progress.



## 9. Quality Assurance

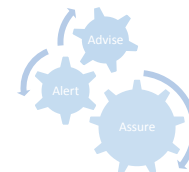
9.1 As part of the Public Sector Internal Audit Standards the Chief Internal Auditor is required to maintain a quality assurance and improvement programme (QA&IP) that covers all aspects of the internal audit activity. This QA&IP must include both internal and external assessments, which are detailed below under section 10.

9.2 In addition to this, quality and improvement requirements are assessed by means of:

- a) Sign off by the Chief Internal Auditor or Deputy of all key stages of an audit, for example the scope of work and level of testing to be performed, the conclusion of the work and opinion formed followed by a review of the draft and final reports.
- b) Weekly or bi-weekly 1:1's with all members of staff, within Internal Audit and colleagues who undertake Counter Fraud activities.
- c) Annual performance reviews of all staff, including the identification and provision of training. The majority of training needs are provided by a combination of external professional studies, supporting by in-house provisions and mentoring.
- d) All staff above Auditor level are required to undertake professional training or have achieved an education level of degree or above. For those that have completed professional studies as part of their professional body membership, much complete the required 'Continuous Professional Development'.
- e) An annual skills gap analysis across the team, (this includes the wider team) to determine specific potential shortages or gaps. Whilst no major gaps are noted at present, historical gaps in areas such as project auditing, contract auditing and IT auditing have been identified following the departure of employees (including retirement). These shortfalls have been address by specified recruitment, bespoke training or if required short term, by means of additional sign off/ mentoring of staff. Areas requiring improvement for this year's assessments are noted below, Skills Gap Analysis Results (6.3 & 6.4).
- f) All staff complete an annual declaration of interests including a nil return, to avoid any impingement on independence or conflict of interest.
- g) Director feedback will be requested during 2019/20 in order to ascertain whether the service provided complies with PSIAS.

### Skills Gap Analysis for 2018/19

9.3 **Essential Areas** - where greater coverage of skills are needed moving forward:



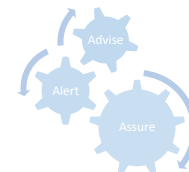
- Auditing - Specialist IT Auditing skills are limited within the service overall service with only one officer currently qualified. To address this shortfall, professional training will be undertaken by a second officer and use will also be made of resources employed elsewhere under the various partnerships and shared service arrangements.

9.4 **Desirable Areas** - where greater coverage of skills would be desirable:

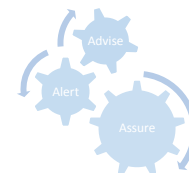
- Auditing - Academy Auditing - despite offering the service of internal audit to the Academies in the Portsmouth area, none have elected to use the service. As such the skills to audit academies are not as strong as would be desired due to lack of experience. No further action is proposed, IA will continue to offer the service of Internal Audit to Academies.

## 10. Completed Audits Since the Last Reporting Period

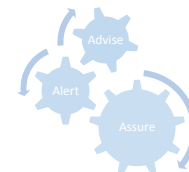
Project Name	Hub	Overall Opinion	Total No. of Issues/Exceptions	Critical Risk	High Risk	Medium Risk	Low Risk Improvement
<b>Business Support</b>	Strategy (SD Digital & Business Operations)	<b>Reasonable Assurance</b>	2	-	-	1	1
<b>Scope of Audit:</b>	<b>Structure and processes in place to deal with requests, consistent and efficient operations, customer expectations, workflow is effectively managed and continuity of the service.</b>						
The medium risk relates to there being no six monthly review of the 3 service menus tested as part of the audit. The low risk improvement relates to the wrong service being named in a Service Menu.							
<b>IT License Management</b>	Strategy (SD Digital & Business Operations)	<b>Reasonable Assurance</b>	2	-	-	2	-
<b>Scope of Audit:</b>	<b>Correct number of licenses purchased, unused software is recalled, license contracts/agreements are being complied with and data held in relation to licenses is accurate and verified.</b>						
The first medium risk relates to the lack of monitoring of current users and available licenses for Adobe software. Furthermore, the licence spreadsheet and CMDB database includes inaccuracies and the total number of licenses purchased and in use could not be evidenced. The second medium risk relates to there being no monitoring or recovery of Adobe licenses which are installed on machines which have been lost, taken out of circulation but not returned to IT or that have been transferred between staff without going back to IT.							



<b>Accounts Receivable</b>	Strategy (SD Finance & Commercialisation)	<b>Limited Assurance</b>	2	-	2	-	-
<b>Scope of Audit:</b>	<b>Invoicing and debt recovery process for clients lacking capacity, invoices are accurate and timely, recovery action is prompt on unpaid invoices, debt levels are analysed and staff workload is monitored.</b>						
A high risk exception was raised due to a lack of monitoring on 4 out of 5 tested client cases awaiting financial representation, in one instance the application was submitted in March 2017 but had not been followed up, the outstanding balance on the account was £270,144.05. Furthermore, vulnerable clients assessed as lacking capacity to manage their finances are being sent full cost invoices requesting payment even though the invoice has potential to be inaccurate and payments should not be taken. The second high risk relates to a lack of recovery action in 9 (36%) of the 25 invoices tested. <b>Follow up testing for 20171/8 Audit:</b> One high and one medium risk has been closed and verified. One high risk is pending the Business World upgrade. The final medium risk related to insufficient debt recovery which remains an issue as highlighted above.							
<b>Asset Management</b>	Strategy (SD Growth)	<b>Limited Assurance</b>	2	-	2	-	-
<b>Scope of Audit:</b>	<b>Asset revaluations in line with policy and CIPFA Code of Practice, assets are listed in the Asset Register, rent reviews are carried out in timely manner, suitable policy for valuations and rental income is billed.</b>						
A high risk exception was raised as reports highlighted 92 properties which needed the lease renewed and 94 properties where the rent review date had passed. The second high risk relates to 1 out of 10 properties not having been invoiced correctly as the company had changed their name and a further invoice to the company had not been issued (2 invoices of £237.50 each) highlighting the need for invoices in Tech Forge to be reconciled with the amounts invoiced.							
<b>Responsive Repairs (Housing Depot)</b>	Strategy (SD Adults, Housing & Communities)	<b>Limited Assurance</b>	3	-	2	1	-
<b>Scope of Audit:</b>	<b>Completing repairs within timeframes, maintenance recovery charges applied, value for money, quality and performance and customer satisfaction is monitored.</b>						
The first high risk exception was raised as the target to complete a supervisory review for 5% of work is not being met and is heavily weighted to planned maintenance when responsive repairs is a larger proportion of work. The second high risk relates to 44 accounts having not been charged standard charges and therefore had been raised inaccurately. The medium risk relates to the £40 base charge for repairs not having changed in 10 years which means it is unlikely to reflect current costs and should be reviewed.							
<b>Data Management</b>	Strategy (SD Digital & Business Operations)	<b>Limited Assurance</b>	3	-	2	1	-
<b>Scope of Audit:</b>	<b>Compliance with GDPR, completed information asset inventories, corporate retention schedules, deleted electronic data from software systems and data drives and adequate strategy in place.</b>						



<p>The first high risk exception was raised as the Risk Register states that there is 80% satisfaction and the retention schedule covers all information, 64% satisfied information is being destroyed in secure manner, 56% of managers carry out security audits of records storage facilities and 64% are satisfied the Records Reviews are carried out once a year. The second high risk relates to there being no structural undertaking to cleanse corporate network drives in compliance with GDPR and the Uniform has records which need to be deleted. The medium risk relates to the Information Governance Board Action Plans not having a clear trail of agreed actions and action dates.</p>							
<b>Events</b>	Strategy (SD Intelligence & Business Insight)	<b>Limited Assurance</b>	5	-	3	2	-
<b>Scope of Audit:</b>	<b>Event application procedures, fees and charges are applied correctly, risk assessment for events held, monitoring to identify events as per agreed application and risk assessment.</b>						
<p>The first high risk exception was raised as 1 out of 9 large scale events tested failed to evidence justifiable and transparent fees and a further large scale event was not charged as the organiser did not have sufficient funds. The second high risk was raised as 4 out of 9 event risk assessments could not be evidenced. The third risk was raised as 1 out of 9 events failed to evidence relevant insurance documents. The first medium risk relates to 1 out of 9 applications forms not being evidenced and 5 out of 9 approvals not being evidenced. The final medium risk relates to sensitive personal data being stored on Google Notes (third party cloud storage).</p>							
<b>Independent Fostering Agreements</b>	Strategy (SD Children and Families)	<b>Limited Assurance</b>	4	-	4	-	-
<b>Scope of Audit:</b>	<b>Partnership agreement in place, providers have signed framework, IPAs for placements, rates being paid to providers and procedures adhere to placement selections.</b>						
<p>The first high risk exception relates to all 10 of the placements tested not including the expected outcome in line with the framework agreement. The second high risk relates to 7 out of 10 Individual Placement Agreements (IPAs) having not been signed by the providers. The third high risk relates to 3 out of 10 independent placement providers' rates not conforming to the Framework requirements. The final high risk relates to PARIS files not always including risk assessments, referral forms, evidence of matching and Form F assessment forms.</p>							
<b>Asbestos</b>	Strategy (SD Transactions & Services)	<b>Limited Assurance</b>	5	-	4	1	-
<b>Scope of Audit:</b>	<b>Asbestos information provided to contractors</b>						
<p>The first high risk exception relates to 4 out of 8 Class H Vacuums being used for Asbestos removal without having a current certification in line with HSE guidance. The second high risk relates to 25% of Asbestos Action Returns not including enough clear information to update the asbestos database and action returns for jobs completed in January 2019 had not been updated by mid-June 2019. The third high risk relates to contractors being provided with asbestos information for only 8 out of the ten jobs sampled. The fourth high risk relates to there being no service owner for the asbestos removal framework to monitor contractor performance and relations. The medium risk exception relates to 2 (85%) of the 24 maintenance tradesman not having completed asbestos awareness training within the last three years.</p>							

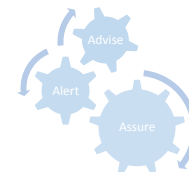


**Follow up testing for 2017/18 Audit:** Two high risks relating to annual inspections and incident reporting have been closed and verified. Two further high risks relating to contractor management and performance reporting remain in progress. The final high risk remains open as Responsible Persons are still not completing mandatory training.

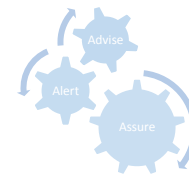
## 11. Completed Follow up Audits between 31<sup>st</sup> May and 12<sup>th</sup> July 2019

<i>Project Name</i>	<i>Follow Up Opinion</i>	<i>Original Opinion</i>	<i>Original Number of Issues /Exceptions</i>	<i>Critical Risk</i>	<i>High Risks</i>	<i>Medium Risk</i>	<i>Low Risk Improvement</i>
<b>Disaster Recovery &amp; Business Continuity</b>	<b>Limited Assurance</b>	<b>Limited Assurance</b>	<b>4</b>	-	<b>4</b>	-	-
<b>Actions Outstanding:</b>	Three high risks remain in progress.			<b>Percentage Closed:</b>		<b>25%</b>	
<b>Summary of Follow Up:</b>	Follow up testing has ascertained that one high risk could be closed and verified now a cyber response plan and training has been implemented. A high risk relating to disaster recovery support remains in progress as the authority continues to adopt a cloud model for all new SCC IT systems. The final two high risks also remain in progress as critical activity appendixes to Business Continuity Plans are yet to be completed to help management in the recovery of critical services when there is a loss of critical IT applications and/or no internet access.						
<b>British Gas</b>	<b>Limited Assurance</b>	<b>Limited Assurance</b>	<b>6</b>	-	<b>6</b>	-	-
<b>Actions Outstanding:</b>	Three high risks remain in progress and two remain open.			<b>Percentage Closed:</b>		<b>17%</b>	
<b>Summary of Follow Up:</b>	Follow up testing ascertained that a high risk remained open as a further £209,314 has been made to AECOM without any evidence it followed a compliant procurement route, this comes after it was initially highlighted £316,392 had been paid against a purchase order without a formal agreement in place breaching the EU threshold. Another high risk remains open as there is no monitoring of the British Gas contract through KPIs. A high risk remains in progress as the Project Handbook created to ensure that nominated contractors will be subject to Contract Procedure Rules is in draft. A high risk relating to budget overspends remains in progress while the amended commitment reports and Business World is implemented to improve visibility of costs in the system. The final high risk remains in progress while the project management guide is finalised and communicated to staff to improve project management.						
<b>Accounts Payable</b>	<b>Limited Assurance</b>	<b>No Assurance</b>	<b>8</b>	-	<b>6</b>	<b>1</b>	<b>1</b>





<i>Project Name</i>	<i>Follow Up Opinion</i>	<i>Original Opinion</i>	<i>Original Number of Issues /Exceptions</i>	<i>Critical Risk</i>	<i>High Risks</i>	<i>Medium Risk</i>	<i>Low Risk Improvement</i>
<b>Actions Outstanding:</b>	Four high, one medium and one low risk remains in progress.			<b>Percentage Closed:</b>		<b>25%</b>	
<b>Summary of Follow Up:</b>	Follow up testing was able to close down two high risks relating to keeping sensitive data secure. A high risk relating to Total system access remains in progress as users still have a level of access greater than their roles including access to System and File Maintenance groups. The second high risk remains in progress as only 10.35% of payments auto matched in the 2018/19 financial year, this is a slight improvement as the function to bypass goods received notes has been removed from all users outside of system support. The third high risk remains in progress as at the time of testing late payments awaiting manger authorisation totalled £1.45M making the authority liable for statutory interest of 8.5%. The fourth high risk remains in progress while duplicate payment analysis is not undertaken. The medium risk remains in progress awaiting a further data cleanse of the supplier Masterfile before Business World. The low risk improvement remains in progress while an active Agresso account is investigated.						
<b>Procurement &amp; Strategic Contract Framework</b>	<b>Limited Assurance</b>	<b>No Assurance</b>	<b>7</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>-</b>
<b>Actions Outstanding:</b>	One critical & 4 high risks remain open, one high risk is pending.			<b>Percentage Closed:</b>		<b>15%</b>	
<b>Summary of Follow Up:</b>	Some areas of the 2017/18 Audit have not yet been retested to allow time for the agreed actions to be implemented and enable changes to be embedded. A full Audit in this area will therefore be completed during 2019/20, as agreed at the Governance Committee. The audit follow up work has identified that a number of actions have been progressed to improve compliance with the procurement arrangements. The implementation of the requisitioning process has enabled a way to identify non-compliant spend and also identify Contracts in place that have not been included on the Contracts Register, however this process is only in place for orders raised in Agresso and not for orders raised on numerous other IT systems used by some services within the Council.						



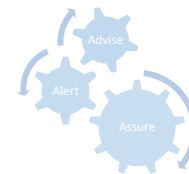
## 12. Public Sector Internal Audit Standards

### Introduction

- 12.1 Under the Public Sector Internal Audit Standard (PSIAS) 1310 requires that, as part of the quality assurance and improvement programme internal and external assessments (of conformance with the Standards) must be undertaken. Standard 1311 allows for periodic self-assessments, which for Portsmouth City Council has been carried out each year since the standards were introduced and for Southampton City Council, since the new in-house service was reintroduced and the Partnership with Portsmouth City Council commenced. The results of the self-assessments have been communicated annual alongside the annual audit opinion to this committee.
- 12.2 Standard 1312 requires that an external assessment must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The Standards state that a qualified assessor demonstrates competence in two areas; the professional practice of internal auditing and the external assessment process. Competence can be demonstrated through a mixture of experience and theoretical learning. An independent assessor means not having an actual or perceived conflict of interest and not being part of, or under the control of, the organisation to which the internal audit activity belongs. During 2017-18 an external assessment was undertaken on Portsmouth City Council's Internal Audit & Counter Fraud Service and an external assessment will be commissioned for Southampton City Council during the next three years.

### Position Update

- 12.3 In summary the independent assessor confirmed that the section (Portsmouth City Council) can demonstrate the delivery of a professional, independent and objective service that contributes to the good governance of the organisation and are able to deliver an annual audit opinion in accordance with the Standards. There were three areas of exception as noted below:
- (a) Standard 1100 requires that the Chief Internal Auditor (CIA) confirms annually to the board (GAS) the organisational independence of the internal audit activity. **ACTION TAKEN: A statement confirming the organisational independence of the internal audit activity has been included in this report under items 1.9 to 1.12.**



- (b) Standard 1110 (public sector requirements) states that the Chief Executive undertakes, countersigns, contributes feedback or reviews the performance appraisal of the CIA. The CX has requested that the Director of Finance and s151 Officer as the main client of the Service and the Deputy Chief Executive and Monitoring Officer as another key client, be asked for feedback. **ACTION TAKEN: Feedback and challenge is provided through the Council's performance management arrangements which include the Corporate Governance Board, and regular 1:1's with both the Deputy Chief Executive (Monitoring Officer) and the s151 Officer.**
- (c) Standard 1320 requires that the CIA must report the results of the quality assurance and improvement programme to senior management including conclusions and any corrective action and include this in the annual report to the board (GAS). **ACTION TAKEN: The Quality Assurance results have been included in this report under item 6.**

12.4 During 2018-19 two self-assessments has been performed against the Standards & Code of Ethics, the results of which are that the Internal Audit service provided at Southampton City Council and by Portsmouth City Council is in compliance with the requirements of the Public Sector Internal Audit Standards.