

DECISION-MAKER:	GOVERNANCE COMMITTEE
SUBJECT:	ANNUAL INTERNAL AUDIT OPINION 2021-22
DATE OF DECISION:	25th JULY 2022
REPORT OF:	CHIEF INTERNAL AUDITOR

<u>CONTACT DETAILS</u>			
Executive Director	Title	FINANCE & COMMERCIALISATION	
	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>In addition to the opinion an update is provided within the report of the Internal audit work carried out since the last reporting period.</p> <p>During 2021-22 Internal Audit & Counter Fraud completed 33 audits (including 2 items of consultancy), 15 grant reviews, 14 first follow ups and 8 second follow ups. The results show that the level of 'No Assurance' audited areas have decreased from the previous year, as none were raised during 2021-22.</p> <p>70% of areas tested were rated as 'reasonable assurance' or 'assurance'. This is consistent with the previous year. This is a strong indication that improvements evidenced over the last two years have been maintained. In addition, the results across audit work performed during 2021-22 have not identified any systemic failings. There are pocked however, across the council that require further work and the impact of Covid 19 and changes to working patterns may highlight additional areas for focus and auditing over time.</p> <p>Based on the results 'Reasonable Assurance' has been attributed to the effectiveness of the control framework in operation. This is an improvement from prior years where 'limited assurance' was given. The full details can be found in Appendix A.</p>	
RECOMMENDATIONS:	
(i)	That the Governance Committee notes the Chief Internal Auditor's Annual Audit Opinion for 2021-22.

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 2021-22.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
	None
DETAIL (Including consultation carried out)	
	The opinion has been shared with members of the Executive Management Board including the s151 officer.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
	None
<u>Property/Other</u>	
	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
	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>	
	None
RISK MANAGEMENT IMPLICATIONS	
	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	
	None

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Annual Internal Audit Opinion for 2021-22
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and	No

Safety Impact Assessment (ESIA) to be carried out.		
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)	