

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF AUDIT & GOVERNANCE COMMITTEE ON 28 JULY 2022

SUBJECT: Internal Audit - Annual Report & Opinion 2021/22

REPORT AUTHOR: Stephen Pearse, Internal Audit Manager

DATE: July 2022

EXTN: 37561

PORTFOLIO AREA: Corporate Support

EXECUTIVE SUMMARY:

The annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control is a requirement of the Public Sector Internal Audit Standards (PSIAS). It is an important source of assurance that supports a local government body's Annual Governance Statement.

This report summarises the activities of the Council's Internal Audit service for 2021/22.

RECOMMENDATIONS:

The Committee is requested to receive the Internal Audit – Annual Report & Opinion 2021/22 and to raise any queries they may have.

There are no recommendations to the Audit & Governance Committee. This is an information report only

1. BACKGROUND:

1.1 INTRODUCTION

Internal Audit discharges its duties through the completion of an agreed audit plan designed to provide independent assurance that the Council's business risks are being managed to an appropriate level

The purpose of this report is to summarise the work carried out by Internal Audit during the year ended 31 March 2022. The work of Internal Audit and the resultant overall opinion on the Council's control environment, which is derived from the work performed, provides those charged with governance a source of assurance that is necessary to support the Council's Annual Governance Statement (AGS) which accompanies the Annual Accounts.

The Internal Audit Manager is required to provide an 'independent' opinion on the adequacy and effectiveness of the systems of internal control operating within the Council. This will provide the signatories to the AGS (the Chief Executive and Leader of the Council) with a degree of assurance on this matter. In reaching the opinion,

consideration has been given to the Council's governance arrangements and to the internal control environment in the light of the work of Internal Audit carried out through the year.

Consideration has also been given to the findings of the Council's external auditors (Ernst & Young LLP), who gave an unqualified opinion to the Council's Annual Accounts for 2020/21 which were approved by the Audit & Governance Committee in February 2022.

1.2 POINTS TO NOTE

As advised to the Committee, the Council's Internal Audit area has operated with reduced resource through 2021/22 and has also been engaged on other Covid-19 related activities as agreed by the Group Head of Corporate Support (e.g. fraud checks in respect of the distribution of Business Support Grants)

2. PROPOSAL(S):

There are no recommendations to the Audit & Governance Committee. This is an information report only

3. OPTIONS:

N/A

4. CONSULTATION:

No specific consultation has been undertaken in respect of this report

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓
Other groups/persons (please specify)		✓
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial		✓
Legal		✓
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability		✓
Asset Management/Property/Land		✓
Technology		✓
Other (please explain)		✓

6. IMPLICATIONS:

7. REASON FOR THE DECISION:

For the Audit & Governance Committee to be aware of the work undertaken by Internal Audit

8. BACKGROUND PAPERS:

N/A