

DECISION-MAKER:	GOVERNANCE COMMITTEE
SUBJECT:	ANNUAL INTERNAL AUDIT OPINION 2020-21
DATE OF DECISION:	26th JULY 2021
REPORT OF:	CHIEF INTERNAL AUDITOR

<u>CONTACT DETAILS</u>			
Executive Director	Title	FINANCE & COMMERCIALISATION	
	Name:	John Harrison	Tel: 023 8083 4897
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Author:	Title	CHIEF INTERNAL AUDITOR	
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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>The annual opinion for 2020-21 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 results of the work carried out in 2020/21 show that the level of limited reviews have decreased from the previous year which would indicate that improvements are continuing and that the effectiveness of the internal control environment is therefore improving despite the difficult year with COVID-19. This is a positive indicator despite the overall assurance level of 'limited' that has been attributed to this year i.e no systemic failings and is as a result of pockets of control failures and risk exposure that still require addressing.</p> <p>Included in the update of work carried out since the last reporting period are two areas of the 2020/21 audit plan that are rated 'No Assurance'. For information both areas have been subject to a follow up as part of the 2021/22 audit plan and both have improved in the assurance level moving to limited.</p> <p>The full details can be found in Appendix A including the executive summaries for both 'No Assurance' reports. The action plans for Appointeeship (Finance and Adults & Health) and Water Quality (Place) can be found in Appendix B and C respectively.</p>

RECOMMENDATIONS:	
(i)	That the Governance Committee notes the Chief Internal Auditor's Annual Audit Opinion for 2020-21 and the service action plans.
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 2020-21.
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 2020-21
2.	Appointeeship Action Plan

3.	Water Quality Action Plan
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Documents In Members' Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
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Data Protection Impact Assessment

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
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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)
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