



REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	28 JULY 2021
REPORT OF THE:	SECTION 151 OFFICER (ANTON HODGE)
TITLE OF REPORT:	INTERNAL AUDIT AND COUNTER FRAUD ANNUAL REPORT 2020/21
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 In accordance with part 5 of the Council's Audit Charter, *'The Head of Internal Audit is required to provide an annual report to the Overview and Scrutiny Committee. The report will be used by the Committee to inform its consideration of the Council's annual governance statement.'*
- 1.2 The report summarises the outcomes of audit work undertaken in 2020/21 and provides an opinion on the overall adequacy and effectiveness of the Council's internal control arrangements.
- 1.3 The report also updates the committee on counter fraud work undertaken in 2020/21.

2.0 RECOMMENDATION(S)

- 2.1 Members are asked to:
- a) note the results of the audit and counter fraud work undertaken in 2020/21.
 - b) note the opinion of the Head of Internal Audit regarding the overall framework of governance, risk management and control operating within the Council.
 - c) note that no significant control weaknesses have been identified by internal audit during the year which are relevant to the preparation of the annual governance statement.
 - d) note the outcome of the quality assurance and improvement programme and the confirmation that the internal audit service conforms with the Public Sector Internal Audit Standards.

3.0 REASON FOR RECOMMENDATION(S)

- 3.1 The committee is responsible for considering reports on the results of internal audit work, in accordance with its terms of reference and the Council's Audit Charter; and in line with the requirements of Public Sector Internal Audit Standards.

4.0 SIGNIFICANT RISKS

- 4.1 The Council will fail to comply with proper practice requirements for internal audit, and the Council's Audit Charter, if the results of audit work are not considered by an appropriate committee.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 The work of internal audit supports the Council's overall aims and priorities by promoting probity, integrity and honesty and by helping support the Council to become a more effective organisation.

6.0 REPORT DETAILS

- 6.1 The work of internal audit is governed by the Public Sector Internal Audit Standards and the Council's Audit Charter. These require the Head of Internal Audit to bring an annual report to the Overview and Scrutiny Committee. The report must include an opinion on the adequacy and effectiveness of the council's framework of governance, risk management and control. The annual report is included at annex 1 to this report.
- 6.2 Internal audit services are provided to the council by Veritau, which also provides a counter fraud service. An annual report setting out counter fraud activity and performance is also included as part of this report, and is included at annex 2.
- 6.3 The results of completed audit work have been reported to relevant officers during the year. Details of the audits finalised since the last report to this committee in April 2021 are included in appendix B to the supporting report contained in annex 1. The quality assurance and improvement programme is shown in appendix D.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
None
 - b) Legal
None
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental and Climate Change, Crime & Disorder)
None

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