

Audit and Governance Committee

Date of Meeting:	30 September 2021
Report Title:	Annual Internal Audit Report 2020/21
Report of:	Jane Burns, Executive Director Corporate Services
Ward(s) Affected:	All Ward Members as the report provides the Annual Audit Opinion on the Council's control environment

1. Executive Summary

- 1.1. This report provides the Audit and Governance Committee with the Annual Internal Audit opinion on the overall adequacy and effectiveness of the Council's control environment for 2020/21. The report is timed to support the Annual Governance Statement (AGS).

2. Recommendations

- 2.1. That the Committee:
 - 2.1.1. Notes and considers the contents of the Internal Audit Annual Report 2020/21 (Appendix A); and
 - 2.1.2. Notes the Internal Audit opinion on the Council's framework of risk management, control and governance for 2020/21 as "Adequate".

3. Reasons for Recommendations

- 3.1. The Public Sector Internal Audit Standards (PSIAS) require the Council's Chief Audit Executive (Head of Audit and Risk Management) to deliver an annual audit opinion and report which can be used to inform the Annual Governance Statement (AGS).

4. Other Options Considered

- 4.1. Not applicable.

5. Background

- 5.1.** The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit plays a vital part in advising the Council, via the Audit and Governance Committee, that these arrangements are in place and operating properly. The annual internal audit opinion informs the AGS. The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the Council's objectives.
- 5.2.** All principal local authorities subject to the Accounts and Audit Regulations 2015 must make provision for internal audit in accordance with the proper practices.
- 5.3.** The Chief Audit Executive provides a written report to those charged with governance timed to support the Annual Governance Statement. The primary purpose of the report, which is set out in Appendix A, is to provide an opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control i.e. the control environment.

6. Implications

6.1. Legal

- 6.1.1.** Section 151 of the Local Government Act 1972 requires Councils to make arrangements for the proper administration of their financial affairs and the Accounts and Audit Regulations 2015 establishes a specific responsibility for the Council to conduct a review at least once a year of the effectiveness of its system of internal control.

6.2. Finance

- 6.2.1.** The Internal Audit team is appropriately resourced to comply with statutory and best practice requirements. Resourcing of the Internal Audit team is regularly monitored and reported upon to the CLT and the Audit and Governance Committee

6.3. Policy

- 6.3.1.** There are no direct implications for policy.

6.4. Equality

- 6.4.1.** There are no direct implications for equality.

6.5. Human Resources

- 6.5.1.** There are no direct implications for human resources.

6.6. Risk Management

- 6.6.1.** Failure to consider the effectiveness of the Council's system of internal audit, and the Internal Audit opinion on the Council's control environment, could result in non-compliance with the requirements of the Accounts and Audit Regulations 2015.

6.7. Rural Communities

- 6.7.1.** There are no direct implications for rural communities.

6.8. Children and Young People/Cared for Children

- 6.8.1.** There are no direct implications for children and young people.

6.9. Public Health

- 6.9.1.** There are no direct implications for public health

6.10. Climate Change

- 6.10.1.** There are no direct implications for climate change.

Access to Information	
Contact Officer:	Josie Griffiths, Head of Audit and Risk Management Email: Josie.griffiths@cheshireast.gov.uk Tel: (01270) 685860
Appendices:	Appendix A – Annual Internal Audit Report 2020/21
Background Papers:	N/A