

TITLE	2021-22 Annual Internal Audit and Investigation Report
FOR CONSIDERATION BY	Audit Committee on 1 June 2022
WARD	None Specific
LEAD OFFICER	Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

Public assurance about the Council's risk, control and governance environment.

RECOMMENDATION

That Audit Committee notes the report and the Shared Audit and Investigation Service (SAIS) activity for the financial year end 31 March 2022, and progress in achieving the 2021/22 Internal Audit and Investigation Plan.

SUMMARY OF REPORT

This report and supporting appendix summarise the SAIS activity and outline the progress in achieving the 2021/22 Internal Audit and Investigation Plan as at 31 March 2022.

This recommendation is being made to ensure that the Council meets its legislative requirements and those of the Audit Committee's Terms of Reference.

The Internal Audit and Investigation Plan aims to ensure that the Council provides an effective Internal Audit activity function and assists the organisation in achieving its objectives in the most economic, efficient and effective way, whilst ensuring that Council assets and interests are being safeguarded from misappropriation/loss and thereby giving confidence to residents that public funds are being used appropriately.

The report provides the Chief Audit Executive (role fulfilled by the Head of Internal Audit and Investigation) opinion on the council's governance, risk management and internal control frameworks. It draws on the work of internal audit and investigations. The Head of Internal Audit and Investigation opinion is unqualified and provides reasonable assurance over the internal control environment in operation.

The report details the work of the SAIS during 2021/22. It supplements quarterly progress reports previously reported to this Committee.

Background

Regulation 6 (1) of the Accounts and Audit Regulations (2015) requires the Council to undertake an adequate and effective internal audit of its accounting records and the system of internal control in accordance with proper internal audit practices.

Proper practices for Internal Audit are defined in the CIPFA/IIA Public Sector Internal Audit Standards (PSIAS) and require that the Head of Internal Audit and Investigation delivers an annual internal audit opinion and report that can be used by the organisation to inform its Annual Governance Statement (AGS). The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. The Annual Report is required to: -

- include an opinion on the overall adequacy and effectiveness of the Council's internal control environment,
- present a summary of the audit work on which the opinion is based,
- draw attention to any key issues that may impact on the level of assurance provided,
- provide a summary of the performance of the Service,
- comment on the Internal Audit Service's level of compliance with the PSIAS.

The aim of the report at [Appendix A](#) and the supporting [Appendix A\(I\)](#) is to cover these legislative requirements and those of the Audit Committee's Terms of Reference.

[Appendix A](#) updates Members on the status of work against the approved 2021/22 Audit and Investigation Plan as at 31 March 2022 and where audits have been completed, the overall audit opinion given.

For work completed during the year to date, there have been no audits where the audit assurance was lower than level 2, i.e., internal controls "substantially complete and effective." For the work completed, there are no matters of significance to bring to the Committee's attention.

New Internal Audit and Investigation Service

The team has been progressing through a period of transition due to the dissolution of the Shared Audit and Investigation Service with the Royal Borough of Windsor and Maidenhead which was completed on 31 March 2022 and the new Internal Audit and Investigation Service was established from 1 April 2022.

Analysis of Issues

The Audit Committee should ensure that it receives the coverage, performance and results of Internal Audit and Investigation activity and any other appropriate additional assurances.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0	Yes	Revenue
Next Financial Year (Year 2)	£0	Yes	Revenue
Following Financial Year (Year 3)	£0	Yes	Revenue

Other financial information relevant to the Recommendation/Decision

An effective internal audit and investigation's function mitigates financial and other risks associated with the Council achieving its objectives.

Cross-Council Implications

Internal Audit works across all areas of the Council – effective internal audit is one of the ways assurance is provided that the Council's key priorities and objectives will be achieved.

Public Sector Equality Duty

The Equality Act 2010 places a statutory duty on the council to ensure that when considering any new or reviewed strategy, policy, plan, project, service or procedure the impacts on particular groups, including those within the workforce and customer/public groups, have been considered. This report is a non-decision-making report providing an update on the work of audit and investigation.

Climate Emergency – *This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030*

This report has a positive impact on the climate emergency agenda, as it provides public assurance about the Council's risk, control and governance environment and includes specific reviews of key corporate risks that have been undertaken in respect of Net-Zero Carbon (Climate Emergency).

Reasons for considering the report in Part 2

Not applicable.

List of Background Papers

2021/22 Internal Audit and Investigation Plan

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