

## Committee report

Committee	<b>AUDIT COMMITTEE</b>
Date	<b>27 JULY 2020</b>
Title	<b>INTERNAL AUDIT ANNUAL REPORT</b>
Report of	<b>CHIEF INTERNAL AUDITOR</b>

---

### EXECUTIVE SUMMARY

1. The Internal Audit Annual Report and Opinion for 2019/20 is attached as Appendix A. The purpose of this reporting is to inform the council's Annual Governance Statement (AGS) and provide the committee with the necessary information to satisfy their remit, as set out in the committee's terms of reference in the constitution.
2. The work to inform the annual report and opinion undertaken has been performed in accordance with the agreed Internal Audit Plan for 2019/20. The results of the work performed allow an opinion to be given as to the adequacy and effectiveness of governance, risk management and control. In giving this opinion, it should be noted that assurance can never be absolute. The most that Internal Audit can provide is reasonable assurance that there are no major weaknesses in the system of internal control.
3. The committee is asked to note the report, seeking any clarifications necessary to satisfy their remit.

### BACKGROUND

4. The Annual Report and Opinion for 2018/19 was presented to Audit Committee in July 2019. During the course of 2019/20 periodic reporting has been provided to Audit Committee, regarding progress with and high-level conclusions from the 2019/20 programme of reviews.

### CONSULTATION

5. Consultation takes place with the senior management team, both to inform the content of the annual Internal Audit programme of reviews and in year, to ensure that the work of Internal Audit is continuously aligned with the need of the Council. Consultation also takes place with relevant managers for individual reviews, both to inform review scope and to confirm the accuracy of audit findings.

## FINANCIAL / BUDGET IMPLICATIONS

6. There are no financial implications to the council from the committee fulfilling its remit through overseeing the work of Internal Audit.

## LEGAL IMPLICATIONS

7. Internal Audit is statutorily required and is a key component of a sound governance framework. As such Internal Audit is central to maximising the likelihood that corporate objectives are achieved and that business as usual activities are well managed.
8. The requirement for an Internal Audit function in local government is detailed within the Accounts and Audit Regulations 2015 as to: 'Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.' The standards for 'proper practices' are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

## RECOMMENDATION

9. The committee is asked to note the report of Internal Audit.

## APPENDICES

10. [Appendix 1](#) – Internal Audit Annual Report and Opinion

Contact Point: Elizabeth Goodwin, Chief Internal Auditor

☎ 821000 e-mail [Elizabeth.Goodwin@portsmouthcc.gov.uk](mailto:Elizabeth.Goodwin@portsmouthcc.gov.uk)

CHRIS WARD  
Director of Finance  
and Section 151 Officer

COUNCILLOR BRIAN TYNDALL  
Chairman of the  
Audit Committee