

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Head of Internal Audit

To: Governance and Audit Committee 6 June 2019

Author: Emma Hodds, Head of Internal Audit

Subject: Annual Report and Opinion 2018/19

Purpose: This report provides the Council with an Annual Report and Opinion for 2019/19, drawing upon the outcomes of Internal Audit work performed over the course of the year. The report also concludes on the Effectiveness of Internal Audit.

Recommendation(s):

- 1) Receive and approve the contents of the Annual Report and Opinion of the Head of Internal Audit.
- 2) Note that a Reasonable audit opinion has been given in relation to governance, risk management and control for the year ended 31 March 2019.
- 3) Note that the opinions expressed together with significant matters arising from internal audit work and contained within this report should be given due consideration, when developing and reviewing the Council's Annual Governance Statement for 2018/19.
- 4) Note the conclusions of the Review of the Effectiveness of Internal Audit.

1.0 BACKGROUND

1.1 In line with the Public Sector Internal Audit Standards, which came into force from 1 April 2013; an annual opinion should be generated which concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control;

- A summary of the work that supports the opinion should be submitted;
- Reliance placed on other assurance providers should be recognised;
- Any qualifications to that opinion, together with the reason for qualification must be provided;
- There should be disclosure of any impairments or restriction to the scope of the opinion;
- There should be a comparison of actual audit work undertaken with planned work;
- The performance of internal audit against its performance measures and targets should be summarised; and,
- Any other issues considered relevant to the Annual Governance Statement should be recorded.

1.2 This report also contains conclusions on the Review of the Effectiveness of Internal Audit, which includes;

- The degree of conformance with the PSIAS and the results of any quality assurance and improvement programme;
- The outcomes of the performance indicators; and,

- The degree of compliance with CIPFA's Statement on the Role of the Head of Internal Audit.

2.0 CURRENT PROGRESS

- 2.1 The Annual Report and Opinion 2018/19 and the Review of the Effectiveness of Internal Audit are shown in the report attached.

3.0 REASONS FOR RECOMMENDATION

- 3.1 The Governance and Audit Committee, in maintaining an overview as to the quality of systems of internal control in operation at the Council, is being requested to note and approve the assurance opinion awarded, and confirm that key information provided is carried across to the Council's Annual Governance Statement, which is also considered on the agenda.
- 3.2.1 The Governance and Audit Committee, in ensuring it fulfils its obligations is being requested to review the effectiveness of the Internal Audit service, and to note and approve this report.

4.0 IMPLICATIONS

4.1 Corporate Priorities

- 4.1.1 Internal Audit helps to ensure that the service areas reviewed and ensuring that they are working towards the efficient and effective delivery of the Council's corporate priorities.

Background papers: - None

Lead Contact Officer

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Director / Officer who will be attending the Meeting Faye Haywood Internal Audit Manager

Key Decision: No

Exempt Decision: No

Appendices attached to this report: Annual Report and Opinion 2018/19