

**Audit and Governance Committee**

16 June 2021

Report of the Head of Internal Audit

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**Annual Report of the Head of Internal Audit and Annual Counter Fraud Report**

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**Summary**

- 1 This report includes the Annual Report of the Head of Internal Audit, which summarises internal audit work undertaken in 2020/21 and provides an opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and internal control. An annual report setting out counter fraud activity and performance is also included.

**Background**

- 2 The work of internal audit is governed by the Public Sector Internal Audit Standards (PSIAS) and the council's audit charter. These require the Head of Internal Audit to bring an annual report to the Audit and Governance 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.
- 3 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.
- 4 Annex 1 includes a summary of findings from recently finalised audit work. The finalised audit reports listed in appendix B to the annex are published online, along with the papers for this committee. The report on Contract Management for Make it York, shown in appendix B, is included in the agenda papers as annex 3 to this report, as the opinion given was limited assurance.

## **Consultation**

- 5 Not relevant for the purpose of the report.

## **Options**

- 6 Not relevant for the purpose of the report.

## **Analysis**

- 7 Not relevant for the purpose of the report.

## **Council Plan**

- 8 The work of internal audit helps the council achieve its objectives by evaluating and promoting improvement in the effectiveness of risk management, control and governance processes.

## **Implications**

- 9 There are no implications to this report in relation to:

- **Finance**
- **Human Resources (HR)**
- **Equalities**
- **Legal**
- **Crime and Disorder**
- **Information Technology (IT)**
- **Property**

## **Risk Management Assessment**

- 10 The council will not comply with proper practice for internal audit if the results of audit work are not reported to senior management and the Audit and Governance Committee.

## **Recommendation**

- 11 Members are asked to:

- (a) note the results of internal audit and counter fraud work undertaken.

Reason

*To enable members to consider the implications of internal audit findings, and inform their assessment of the effectiveness of counter fraud arrangements.*

- (b) note the opinion of the Head of Internal Audit on the adequacy and effectiveness of the council's framework of governance, risk management and internal control .

Reason

*To enable members to consider the implications of internal audit findings.*

- (c) note the outcome of the Quality Assurance and Improvement Programme and the confirmation that the internal audit service conforms with Public Sector Internal Audit Standards.

Reason

*To enable members to consider the opinion of the Head of Internal Audit.*

- (d) 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.

Reason

*To enable the Annual Governance Statement to be prepared.*

**Contact Details**

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**Report  
Approved**



**Date** 7 June  
2021

## **Specialist Implications Officers**

Not applicable

**Wards Affected:** Not applicable

All



**For further information please contact the author of the report**

## **Background Papers**

- None

## **Annexes**

- Annex 1 – annual report of the Head of Internal Audit
- Annex 2 – annual counter fraud report
- Annex 3 – internal audit report: Contract Management – Make it York

## **Available on the council's website**

The following internal audit reports referred to in annex 1 are published on the council's website:

- SEN Ofsted Inspection & written statement of action (WSoA)
- Home working
- ICT Server Administration and Security
- ICT Licence Management
- Public Health – Healthy Child Service
- Cash handling

Information which might increase risk to the council, its employees, partners or suppliers has been redacted.