

# Internal Audit Annual Report 2020-2021

<b>Report number:</b>	<b>PAS/WS/21/006</b>	
<b>Report to and date(s):</b>	<b>Performance and Audit Scrutiny Committee</b>	27 May 2021
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**Decisions Plan:** N/A

**Wards impacted:** N/A

**Recommendation:** It is recommended that the Performance and Audit Scrutiny Committee notes the contents of the:

1. Internal Audit Annual Report 2020-2021.
2. The Annual Fraud Report 2020-2021.

## 1. Context to this report

- 1.1 It is vital for our communities continued confidence and the smooth and proper running of a local authority that thorough, open and transparent auditing takes place. This internal audit annual report is part of that process, together with the annual governance statement, to help inform those who have responsibility for the council's framework of risk management, control and governance processes.
- 1.2 In summary, the conclusions of this report should give our residents and councillors confidence in our processes and that the council has a good bill of health in how it works and manages risk as well as looking at ways of improving. In essence this should be seen as a very positive result and is confirmation that overall, controls and processes have continued to work well.
- 1.3 Internal auditing is an independent and objective assurance and consultancy function designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. A professional, independent and objective internal audit service is one of the key elements of good governance.

## 2. Proposals within this report

- 2.1 The Public Sector Internal Audit Standards (PSIAS) govern internal audit within the public sector. These standards require the Service Manager (Internal Audit) to provide an annual report to those charged with governance which includes an opinion on the adequacy and effectiveness of the council's framework of risk management, control and governance processes. The internal audit annual report at **Appendix A** gives an overview of the work carried out during the year which forms the basis of this opinion.
- 2.2 The annual audit opinion, included at Appendix A, has been split into the four constituent elements of governance, risk, internal control, and financial control, with a specific conclusion drawn on each, as well as the direction of travel.
- 2.3 The council recognises that fraud, theft and corruption are an ever-present threat to the resources available in the public sector. The purpose of the annual fraud report at **Appendix B** is to demonstrate West Suffolk's progress in developing and maintaining an anti-fraud and anti-corruption culture and publicise the action taken where fraud or misconduct have been identified.

### **3. Alternative options that have been considered**

- 3.1 The Public Sector Internal Audit Standards require that an annual internal audit report is provided to those charged with governance. It is also good practice to provide an annual fraud report. No alternative options were considered.

### **4. Consultation and engagement undertaken**

- 4.1 These reports were produced in consultation with the Leadership Team.

### **5. Risks associated with the proposals**

- 5.1 Risks are covered within the reports at Appendices A and B.

### **6. Implications arising from the proposals**

- 6.1 Any implications arising are covered at covered at Appendices A and B.

### **7. Appendices referenced in this report**

- 7.1 Appendix A - Internal Audit Annual Report 2020-21
- 7.2 Appendix B – Annual Fraud Report 2020-21

### **8. Background documents associated with this report**

- 8.1 None