



Report Reference Number: A/21/3

To: Audit and Governance Committee
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Title: Annual Report of the Head of Internal Audit 2020-21; Annual Counter Fraud Report; Annual Information Governance Report

Summary:

This report includes annual reports from services provided to the council by Veritau Ltd. It 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. It also includes annual reports setting out counter fraud activity and performance during 2020/21 and information governance work undertaken for the council in 2020/21.

Recommendation:

That the committee:

- (i) note the annual report of the Head of Internal Audit (annex 1) and the "Reasonable Assurance" opinion regarding the overall framework of governance, risk management and control operating within the council.
- (ii) note the outcome of the internal audit quality assurance and improvement programme and the confirmation that the internal audit service conforms with the Public Sector Internal Audit Standards
- (iii) note the counter fraud work undertaken during the year (annex 2).
- (iv) note the information governance work undertaken during the year (annex 3)

Reasons for recommendation

To enable the committee to fulfil its responsibility for reviewing the outcomes of internal audit, counter fraud and information governance work and to support its consideration of the council's Annual Governance Statement.

1. Introduction and background

- 1.1 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.
- 1.2 Internal audit services are provided to the council by Veritau, which also provides counter fraud and information governance services. Annual reports setting out counter fraud activity and performance (annex 2) and information governance work (annex 3) are also included as part of this report.

2. The Report

- 2.1 Annex 1 includes a summary of internal audit work carried out during 2020/21 and gives an opinion on the overall framework of governance, risk management and control in place within the council. The report also includes conclusions from Veritau's internal audit Quality Assurance and Improvement Programme (QAIP).
- 2.2 A summary of counter fraud work carried out during 2020/21 is included at annex 2. Investigations resulted in over £12k of savings being made by the council. In addition, £30k of Covid-19 grant fraud was prevented.
- 2.3 Annex 3 includes a summary of the information governance work carried out during 2021/21. This includes detail on the support provided in relation to Covid-19 as well progress on areas such as the Information Governance Policy Framework.

Internal Audit Charter

- 2.4 The Internal Audit Charter sets out how internal audit at the council will be provided in accordance with the PSIAS. The Charter is reviewed on an annual basis and any proposed changes are brought to the Audit & Governance Committee. No changes are proposed at this time.

3. Implications

- 3.1 There are no legal, financial, policy & risk, corporate plan, resource or other implications from this report.

4. Conclusion

- 4.1 The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating at the council is that it provides Reasonable Assurance. No reliance was placed on the work of other assurance providers in reaching this opinion, and there are no significant control weaknesses which, in the opinion of the Head of Internal Audit, need to be considered for inclusion in the Annual Governance Statement.
- 4.2 The opinion given is based on work that has been undertaken directly by internal audit, and on cumulative knowledge gained through our ongoing liaison and planning with officers. However, in giving the opinion, we would note that Covid-19 has significantly affected the council over the last year, with a wide ranging impact on business operations and controls. While the work of internal audit is directed to the areas that are most at risk, or provide most value for the council, it is not possible to conclude on the full extent of the impact of Covid-19 on the council's operations.

5. Background Documents

Internal Audit, Counter Fraud and Information Governance Plans 2020/21

Internal Audit, Counter Fraud and Information Governance progress reports to Audit and Governance Committee in 2020/21

The Public Sector Internal Audit Standards 2017

6. **Annexes:**
- Annex 1: Annual Report of the Head of Internal Audit 2020/21**
 - Annex 2: Counter Fraud Annual Report 2020/21**
 - Annex 3: Information Governance Annual Report 2020/21**

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