
NON-EXEMPT

HAVANT BOROUGH COUNCIL

AUDIT AND FINANCE COMMITTEE

28 JULY 2022

ANNUAL INTERNAL AUDIT REPORT AND OPINION 2021-22

FOR NOTING

Portfolio Holder: Cllr Denton

Key Decision: No

Report Number: HBC/068/2022

1. Purpose

- 1.1. The purpose of this paper is to provide the Audit and Finance Committee with the Chief Internal Auditor's opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for the year ending 31 March 2022.

2. Recommendation

- 2.1. That the Audit and Finance Committee note the Chief Internal Auditor's Annual Report and Opinion for 2021-22, attached as Appendix 1.

3. Executive Summary

- 3.1. In accordance with the Public Sector Internal Audit Standards, the Chief Internal Auditor is required to provide an annual audit opinion and report that can be used by the Council to inform their Annual Governance Statement.
- 3.2. The Annual Report for 2021-22 (attached as Appendix 1) provides the Chief Internal Auditor's opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control, and summarises the audit work from which the opinion is derived for the year ending 31 March 2022.

3.3. The Audit and Finance Committee's attention is drawn to the following points:-

- I am satisfied that sufficient work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of the internal control environment.
- In my opinion, frameworks of governance, risk management and management control are 'Reasonable' and audit testing has demonstrated controls to be working in practice.
- Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

4. Additional Budgetary Implications

4.1. None directly from this report.

5. Background and relationship to Corporate Strategy, Climate & Environment Strategy and/or Business Plans

5.1. Internal audit plays a vital role in helping the Council accomplish its strategic objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

6. Options considered

6.1. Not applicable.

7. Resource Implications

7.1. Financial Implications

7.2. Internal Audit is provided through the Southern Internal Audit Partnership. The audit plan consisted of 300 audit days and remained fluid throughout the year to meet the changing needs of the Council.

Section 151 Officer comments

Date: 20 July 2022

A revenue base budget is in place to fund the 300 days of internal audit service provision. We work closely with internal audit to ensure that their workplan, and associated resources, are targeted at areas of greatest need and impact for Havant BC.

7.3. Human Resources Implications

None directly from this report.

7.4. Information Governance Implications

None directly from this report.

7.5. Other resource implications

None directly from this report

8. Legal Implications

- 8.1. The attached audit opinion satisfies the legal requirement contained in the Accounts and Audit (England) Regulations 2015 that the Council should “undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public

Monitoring Officer comments

Date: 15 July 2022

The Audit and Finance Committee is specifically responsible under the Constitution to considers matters of Internal Audit Report. In particular, the Committee should consider the opinion on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control together with the summary of the work supporting the opinion (Constitution Part 2 E5 paragraph 3.8.2).

sector internal auditing standards or guidance.”

9. Risks

- 9.1. The audit needs assessment follows a risk-based audit approach taking cognisance of the Council’s risk register.

10. Climate & Environment Implications

10.1. None directly from this report.

11. Consultation

11.1. This report has been discussed with the Council's Corporate Governance Board.

12. Communication

12.1. None directly from this report.

13. Appendices

13.1. Appendix 1 - Annual Internal Audit Report and Opinion 2021-22.

14. Background papers

14.1. Internal Audit Plan 2021-22. Audit and Finance Committee 24 March 2021.
Agenda item 4.

Agreed and signed off by:

Portfolio Holder: Councillor Tony Denton

Director: Malcolm Coe – Chief Finance Officer

Monitoring Officer: Mark Watkins 15 July 2022

Section 151 Officer: Malcolm Coe 20 July 2022

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