

Barrow Borough Council
Audit and Governance Committee
29 July 2021
Annual Review of Internal Audit

Report from: Director of Resources

Report Author: Director of Resources

Wards: None

1.0 Summary and Conclusions

- 1.1 Internal Audit must comply with proper practice as defined by the Accounts and Audit Regulations.
- 1.2 Each year a review of the effectiveness of Internal Audit is undertaken and this report informs Committee of the findings.
- 1.3 The Section 151 Officer is satisfied that the Internal Audit service is effective.

2.0 Recommendation

- 2.1 It is recommended that the Audit and Governance Committee endorse the annual review of the effectiveness of Internal Audit.**

3.0 Background and Proposals

- 3.1 The Section 151 Officer is charged with ensuring an effective Internal Audit function is resourced and maintained.
- 3.2 The review relies upon the following documents to support the view that the Internal Audit service is effective:
- 3.3 Public Sector Internal Audit Standards
- 3.3.1 A self-assessment checklist completed by the Head of Internal Audit and reviewed by the Director of Resources. It covers the Authority and its Internal Audit arrangements and the Internal Audit Service is substantially compliant with these standards:
- Scope of Internal Audit
 - Independence

- Ethics for internal auditors
- Audit Committees
- Relationships
- Staffing, training and development
- Audit strategy and planning
- Undertaking audit work
- Due professional care
- Reporting
- Performance, quality and effectiveness

3.4 The CIPFA statement on the role of the Head of Internal Audit in local government

- 3.4.1 A self-assessment completed by the Head of Internal Audit and reviewed by the Director of Resources. The 2019 edition of the CIPFA Statement on the Role of the Head of Internal Audit provides case studies to demonstrate the principles in action; to share best practice.

3.5 The Internal Audit Annual Report

- 3.5.1 This contains the performance of the service for the last full financial year. This report is presented separately on this agenda.

3.6 Post Audit Questionnaires

- 3.6.1 These are returned by departmental managers to reflect satisfaction with the Internal Audit service; the questionnaire focuses on the audit process and not the recommendations as a result of the audit.

- 3.6.2 Once audits are completed, departmental managers are issued with a satisfaction questionnaire that can be returned to the Director of Resources.

- 3.6.3 Due to the Internal Audit resource for 2020-2021 being largely employed in the delivery of COVID-19 business grants and the DWP Housing Benefit subsidy audit, the planned audits were not undertaken resulting in less questionnaires being issued or returned.

4.0 Consultation

- 4.1 Consultation is not relevant to the recommendation.

5.0 Alternative Options

- 5.1 The Audit and Governance Committee may choose not endorse the review and note their rationale.

6.0 Contribution to Council Plan Priorities

6.1 In order to be able to deliver Council Plan Priorities the organisation must be sound in terms of internal control and governance and the Audit and Governance Committee is charged with that role.

7.0 Implications

Financial, Resources and Procurement

7.1.1 There are no financial, resource or procurement implications arising from this report.

Legal

7.1.2 There are no legal implications arising from this report.

Equality and Diversity

7.2 Have you completed an Equality Impact Analysis? No, this report is for information.

Risk

Risk	Consequence	Controls required
The Internal Audit service is not effective.	The Council cannot demonstrate good governance.	Internal Audit annual plan, audits, progress report and annual report.

Contact Officers

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