

SUBJECT: ANNUAL INTERNAL AUDIT REPORT

DIRECTORATE: CHIEF EXECUTIVE & TOWN CLERK

REPORT AUTHOR: AMANDA STANISLAWSKI, AUDIT MANAGER

1. Purpose of Report

- 1.1 To receive and comment upon the Annual Internal Audit Report 2021/22.

2. Executive Summary

- 2.1 The Annual internal audit report (Annex A) provides a summary of Internal Audit work undertaken during 2021/2022 timed to support the Annual Governance Statement by providing an opinion on the organisation's governance, risk management and internal control environment.
- 2.2 Overall our opinions remain the same as for 2020/21. There are three areas, governance, risk and internal financial control, where we have been able to provide the highest level of assurance - working well: no concerns that significantly affect the governance framework and successful delivery of the Council priorities. Internal control was assessed as performing adequately – some improvements identified over the Council's Governance, Risk and Control framework. This is due to a number of factors including recovery from coronavirus, similar levels of assurance to last year and there are a high number of actions remaining to be implemented.
- 2.3 There have not been any restrictions on the scope of the work to be undertaken. The reduction in time available due to the Audit Manager leaving was covered through the employment of consultants and removal of items from the plan due to unsuitable timing.
- 2.4 Performance of the Internal Audit Service remains good with 94% of the revised plan being completed and most of the performance measures being met.
- 2.5 Assurance Lincolnshire conforms to the UK Public Sector Internal Audit Standards. An External Quality Assessment was undertaken in early 2022 and we were found to 'FULLY CONFORM'.

3. Annual Audit report

- 3.1 The Annual Internal Audit Report of City of Lincoln Council aims to present a summary of the audit work undertaken over the past year. In particular:
- Include an opinion on the overall adequacy of and effectiveness of the governance framework and internal control system and the extent to which the Council can rely on it;
 - Informs how the plan was discharged and of overall outcomes of the work undertaken;

- Draws attention to any issues particularly relevant to the Annual Governance Statement.
- Summarises the performance of Internal Audit against its key performance measures.
- Comments on compliance with standards.

4. Organisational Impacts

4.1 Finance (including whole life costs where applicable)
There are no financial implications

4.2 Legal Implications including Procurement Rules

To ensure compliance with the Accounts and Audit regulations and Internal Audit standards an annual report should be produced

4.3 Equality, Diversity & Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities.

Due to the nature of the report, no specific Equality Impact Analysis is required.

5. Recommendation

5.1 The Audit Committee should note the contents of the report and appendices.

Key Decision No

Do the Exempt Information Categories Apply? No

Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

How many appendices does the report contain? One

List of Background Papers: None

Lead Officer: Amanda Stanislawski, Audit Manager
Telephone (01522) 873321