

## INTERNAL AUDIT ANNUAL OPINION 2019-20

### Audit Committee - 16 July 2020

Report of	Audit Manager
Status	For Consideration
Key Decision	No

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**Executive Summary:** The report sets out the Internal Audit Annual Opinion on the effectiveness of the Council's internal control, governance and risk management arrangements. The Opinion is a requirement of [Public Sector Internal Audit Standards](#) and includes a summary of the work taken into consideration when forming the Opinion.

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<b>Portfolio Holder</b>	Cllr. Matthew Dickins
<b>Contact Officers</b>	Francesca Chivers, Ext. 7053 Adrian Rowbotham, Ext. 7153

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### Recommendation to Audit Committee:

- a) That Members note the Internal Audit Annual Opinion (Appendix A)
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**Reason for recommendation:** In accordance with professional standards (Public Sector Internal Audit Standards) the Chief Audit Executive (a role fulfilled by the Audit Manager at Sevenoaks) must deliver an overall Opinion to conclude on the effectiveness of the Council's internal control, governance and risk management. The Opinion is used to inform the Annual Governance Statement which in turn supports the Financial Statements.

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## Introduction and Background

- 1 The Opinion is mandated through the Standards, specifically Standard 2450 which sets out components and considerations for the Opinion:

### 2450 Overall Opinions

When an overall opinion is issued, it must take into account the strategies, objectives and risks of the organisation and the expectations of senior management, the board and other stakeholders. The overall opinion must be supported by sufficient, reliable, relevant and useful information.

#### *Interpretation:*

The communication will include:

- the scope including the time period to which the opinion pertains
- scope limitations
- consideration of all related projects including the reliance on other assurance providers
- a summary of the information that supports the opinion
- the risk or control framework or other criteria used as a basis for the overall opinion, and
- the overall opinion, judgment or conclusion reached.

The reasons for an unfavourable overall opinion must be stated.

#### **Public sector requirement**

The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report must also include a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

- 2 The Audit Committee is required through its Terms of Reference to consider the Opinion each year, and to maintain oversight of the Internal Audit service and the work undertaken to support the overall Opinion.

## Key Implications

### Financial

There are no direct financial implications.

### Legal Implications and Risk Assessment Statement

We present this report for noting only and so it has no direct legal or risk management implications. However, the Accounts and Audit Regulations require Internal Audit to operate in accordance with the PSIAS. The relevant section is noted above.

## Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

### **Conclusions**

The Opinion is a conclusion on the effectiveness of the Council's internal control, governance and risk management arrangements as required through professional standards. Members are asked to note the overall Opinion.

### **Appendices**

Appendix A - Internal Audit Annual Opinion  
(2019/20)

### **Background Papers**

None

**Adrian Rowbotham**

**Chief Officer - Finance and Trading**