

DEVON AUDIT PARTNERSHIP – CIPFA Guidance on Annual Audit Opinions

Report of the County Treasurer

Please note that the following recommendations are subject to confirmation by the Committee before taking effect.

Recommendation: that the Committee

1. **Notes** the recently issued guidance by CIPFA on the impact of Covid on the Annual Internal Audit Opinion.

Summary

CIPFA, the Chartered Institute of Public Finance & Accountancy, has recently issued the attached guidance to Heads of Internal Audit and Audit Committees when forming their Annual Internal Audit opinion in 2021/22.

In essence, the guidance recognises that internal audit work in 2020/21 is likely to be affected by the Covid pandemic; it is highly likely that Internal Audit plans will have been amended to reflect the changing risks that have emerged during the pandemic, and there is a subsequent risk that internal audit coverage will not be at the level planned or expected.

The guidance recognises that this is a national issue and provides some suggested wording on how a limitation in coverage and scope could be reported (please see page 6).

DAP Position

We recognised at an early stage that Covid would have an impact on our internal audit plans and delivery in 2020/21. We also appreciated that each of our partners would expect us to adapt, and change how and what we do, to enable us to provide an annual assurance opinion; we have endeavoured to do this.

We have previously reported to this Partnership Committee and individual audit committees that;

- Some DAP staff have been deployed to assist with front line response to the pandemic
- We have adapted and changed our internal audit plans to reflect the emerging risks from Covid, including the payment of grant relief to businesses (and individuals)
- We have further developed and refined assurance maps to ensure that we are aware of, and can draw from, wider assurance sources during 2020/21

The above actions have all had an impact on delivery, but our assessment (as at the end of January 2021) is that for all our partners we will be in a position to provide an annual assurance opinion without the need for a “limitation of scope” statement. Our opinions will need to reflect the changes in plans and delivery, but should still be valuable to each partner in preparing their Annual Governance Statement at year end.

Mary Davis

Electoral Divisions: All
Local Government Act 1972

List of Background Papers

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<u>Background Paper</u>	<u>Date</u>	<u>File Ref</u>
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Nil

There are no equality issues associated with this report