



Safest People, Safest Places

Audit and Risk Committee

25 February 2021

Head of Internal Audit Annual Opinions: Addressing the Risk of a Limitation of Scope

Report of the Head of Internal Audit

Purpose of the Report

1. To provide Members with information about some recently issued guidance published by the Chartered Institute of Public Finance and Accountancy (CIPFA) in relation to Head of Internal Audit (HIA) Annual Opinions: Addressing the Risk of a Limitation of Scope.

Background

2. Recent guidance published by CIPFA in relation to Head of Internal Audit (HIA) Annual Opinions: Addressing the Risk of a Limitation of Scope recognises that the considerable impact of COVID-19 on all public services and has raised a question for internal auditors as to whether they will be able to undertake sufficient work to gain assurance during 2020/21 to issue an annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
3. While the limitation of any scope will only be formally published in 2021 as part of the HIA's annual report, the guidance attached as Appendix 1 addresses the importance of early identification of the risk. The guidance identifies key requirements for local government bodies and provides mitigating actions to be taken now detailed under the following headings to avoid a limited scope where possible as well as possible wording to be used in the HIA's report if a limited scope does become necessary.
 - Key requirements for local government bodies;
 - Detailed guidance to support implementation;
 - Planning adequate assurance to support the annual opinion;
 - Engagement between the leadership team, audit committee and HIA;
 - Making effective use of internal audit resources;
 - Early identification of a limitation of scope;
 - Understanding the consequences of a limitation of scope; and
 - Suggested wording of the limitation
4. The HIA has reviewed the guidance to ensure recommended practices are being followed. It is not envisaged that a limitation of scope on the HIA's annual report would be required.

Recommendation

5. It is recommended that Members note the contents of this report.

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