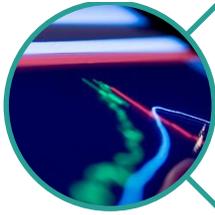


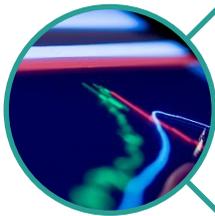
**INTERNAL AUDIT ANNUAL REPORT  
BENCHMARKING 2021/22**

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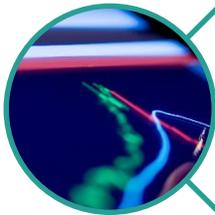
# CONTENTS



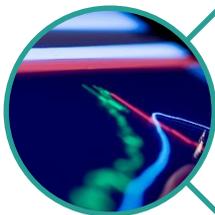
Design and Effectiveness Assurance Levels



Total number of reports included in the Annual Report, Average number of days per review, and average recommendations per review



Percentage of High and Medium recommendations raised, Significance levels of all recommendations raised



Appendix 1 - Opinion significance definition

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## Purpose of Report

This report provides comparative information across our Local Authority clients relating to the internal audit assurance opinions provided in 2021-22, along with the number and relative proportion of recommendations and the priority level assigned. This report can be used to assess how the Local Authority compares to its peers so that inferences can be drawn and used to further strengthen the Local Authority's internal control environment.

## Commentary on the Results

Oxford City Council (the 'Council') is Organisation 3 in all the graphs included within this report.

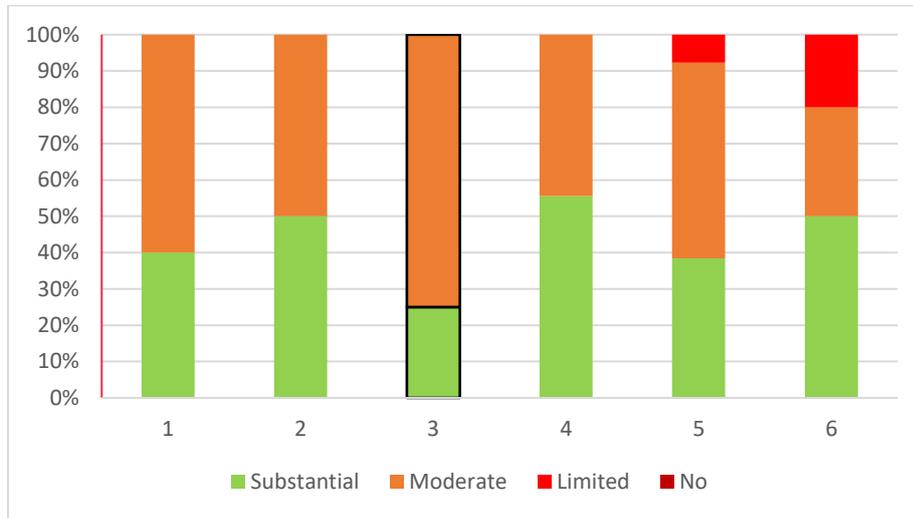
The graphs show that:

- The majority of moderate assurance opinions for the design and effectiveness of the controls, note there was only one limited assurance effectiveness opinion provided. This places the Council in the 'middle of the pack' when compared to other local authorities
- Having a risk-based and flexible plan invariably means that the audit resource is directed to areas of risk / concern, which should be seen as a positive and is reflected in the opinions and recommendations made
- The Council receives a lower-than-average number of audit reports in comparison to its peers, reflecting the size of the audit plan. This is partly due to other clients being County or Unitary Councils and having a more complex control environment
- The average number of recommendations is comparable and feeds into the relatively high proportion of Moderate assurance opinions. Medium recommendations are also relatively higher than at other Councils whilst Low recommendations are considerably lower.

In terms of the benchmarking outcomes, it should be considered that this was an exceptional year due to the Covid-19 pandemic, and therefore some Councils re-shaped their audit coverage, resulting in changes to the number and type of audits performed.

### Design Opinion

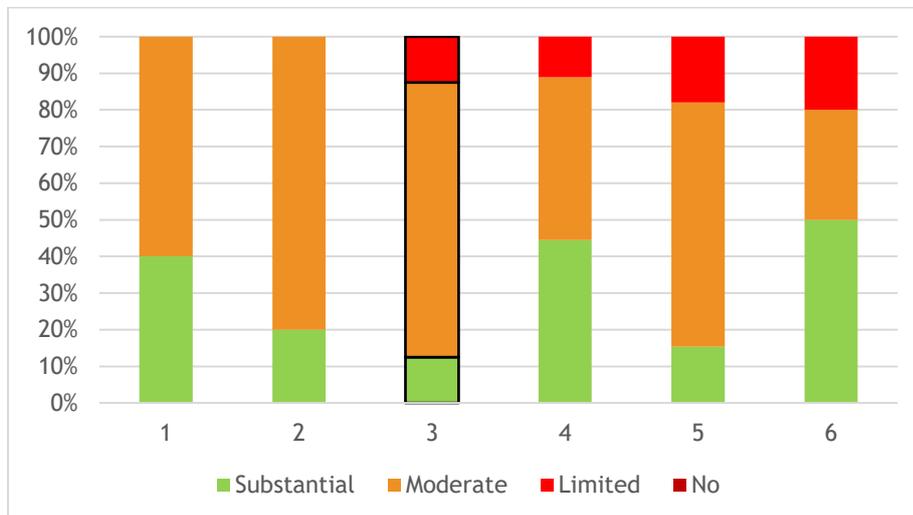
The graph below shows the assurance levels for all reports included in the annual report, in relation to the design of the controls. This does not include advisory reports where no assurance levels are provided.



The Council had a higher proportion of Moderate design opinions and a lower proportion of Substantial opinions than the other local authorities in the sample. There were no Limited or No Assurance opinions issued on control design.

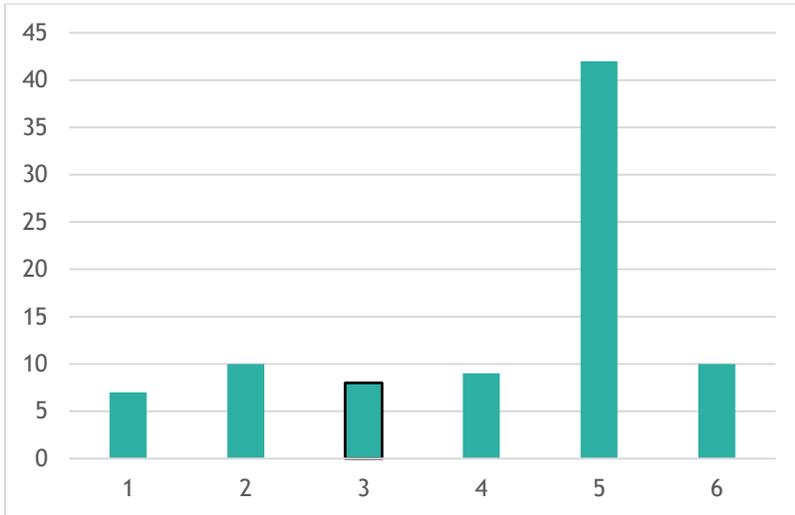
### Effectiveness Opinion

The graph below shows the assurance levels for all reports included in the annual report, in relation to the design of the controls. This does not include advisory reports where no assurance levels are provided.



The Council had one Limited opinion on control effectiveness with a significant proportion of reports receiving Moderate assurance for effectiveness. The authority is comparable to other members of the sample group



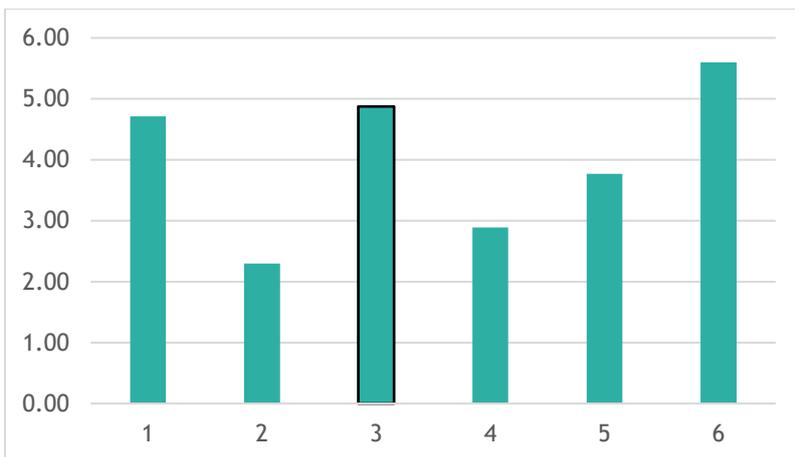
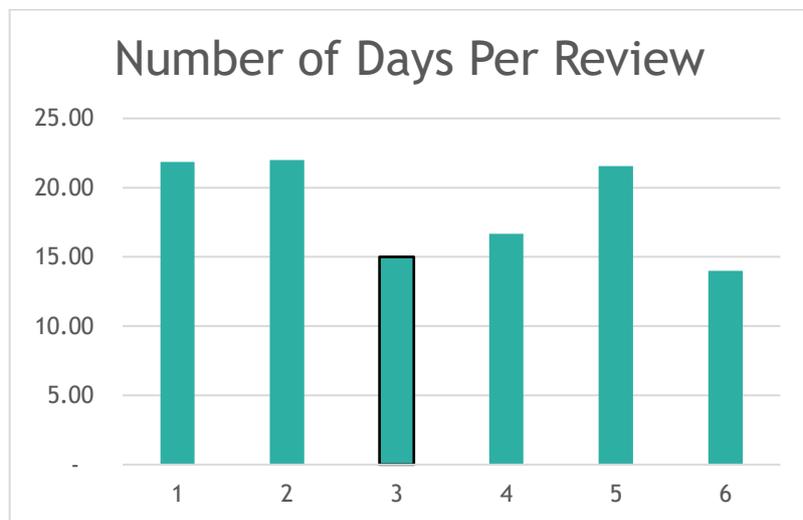


### Reports Issued

This graph shows the total number of reports included in the 2021/22 annual report. This includes advisory reports where assurance levels are not provided.

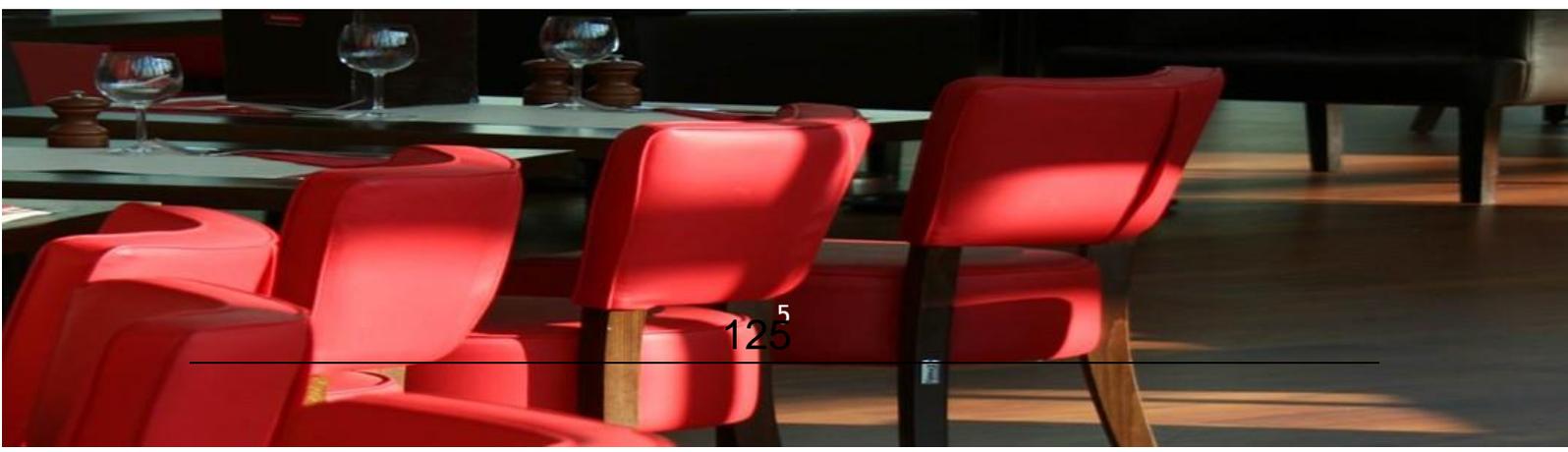
### Days per review

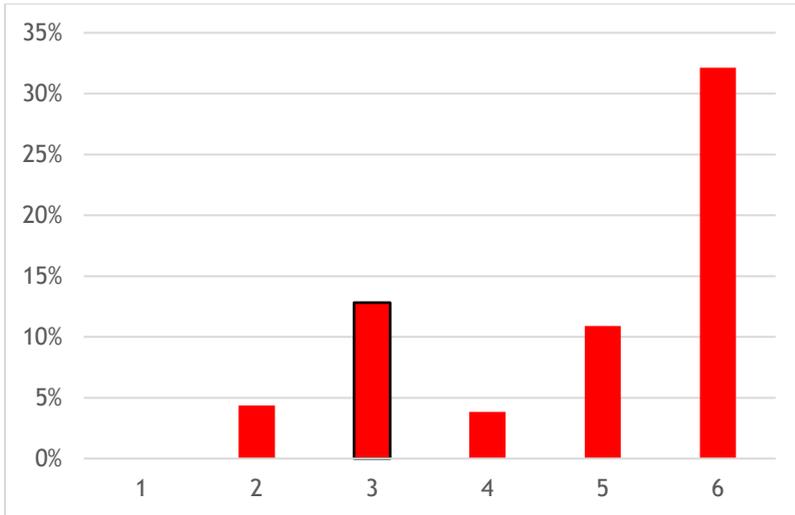
This graph shows the total number of days per the 2021/22 annual plan divided by the number of reports included in the annual report or out in draft.



### Average recommendations

This graph shows the total number of recommendations listed in the annual report divided by the total number of reports, including advisory reports.



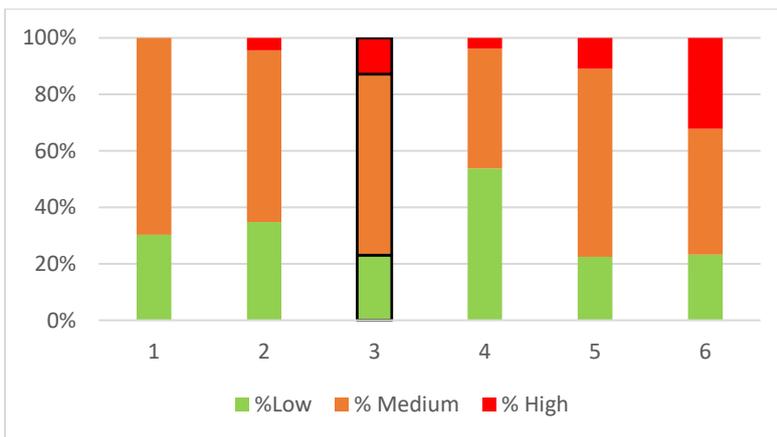
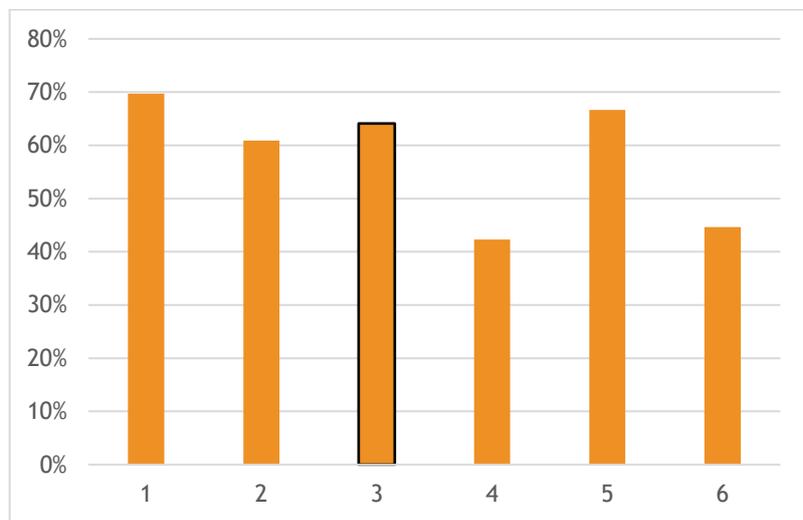


### High Recommendations

This graph shows that more High findings were issued proportionately to the Council than most of the other local authorities.

### Medium Recommendations

This graph shows that the Council were consistent with its peers in relation to the proportion of Medium findings raised.



### Significance of Recommendations

This graph shows the significance levels of all recommendations listed in the annual report.

# APPENDIX 1

## OPINION SIGNIFICANCE DEFINITION

Level of Assurance	Design Opinion	Findings from review	Effectiveness Opinion	Findings from review
<b>Substantial</b> 	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
<b>Moderate</b> 	In the main, there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
<b>Limited</b> 	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
<b>No</b> 	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

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