

DECISION-MAKER:	GOVERNANCE COMMITTEE
SUBJECT:	ANNUAL INTERNAL AUDIT OPINION 2022-23
DATE OF DECISION:	24th JULY 2023
REPORT OF:	CHIEF INTERNAL AUDITOR

<u>CONTACT DETAILS</u>			
Executive Director	Title	CORPORATE SERVICES	
	Name:	Mel Creighton	Tel: 023 8083 3528
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Author:	Title	CHIEF INTERNAL AUDITOR	
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STATEMENT OF CONFIDENTIALITY
N/A
BRIEF SUMMARY
<p>On an annual basis and in accordance with the Public Sector Internal Audit Standards the Chief Internal Auditor is required to provide an opinion on the adequacy and effectiveness of the Council's framework of risk management, internal control and governance.</p> <p>An update is also provided within the report of the internal audit work carried out since the last reporting period.</p> <p>For the financial year 2022-23 Internal Audit & Counter Fraud completed:</p> <ul style="list-style-type: none"> • 31 full audits, • 15 grant reviews, • 15 follow ups and • 1 data analytics project. <p>The results identified one 'No Assurance' audited area, which will be shared as part of the September 2023 'Internal Audit Progress Report' alongside Executive Director comments.</p> <p>In addition, for the year there is, a combined 42% of results rated as 'no assurance' or 'limited assurance' and 58% rated as 'reasonable assurance' or 'assurance' (full audits). Compared with the previous year's results (2021-22) which was 35% and 65% respectively, showing a decline in the level of reasonable or full assurance attributed to work performed.</p> <p>Whilst the overall movement in the audit results for 2022-23 was not, in itself, so significant to impact on the opinion, the opinion is also informed and influenced by the vulnerability of the governance framework and the associated emerging risks,</p>

financial instability together with the required pace and implications of the actions to address it, which means that an opinion of 'limited assurance' is provided for 2022-23.

The full details can be found in Appendix A.

RECOMMENDATIONS:

(i)	That the Governance Committee notes the Chief Internal Auditor's Annual Audit Opinion for 2022-23.
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REASONS FOR REPORT RECOMMENDATIONS

1.	In accordance with proper internal audit practices (Public Sector Internal Audit Standards) and the Internal Audit Charter, the Governance Committee is required to receive the Chief Internal Auditor's Annual Report & Opinion for 2022-23.
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	None
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DETAIL (Including consultation carried out)

3.	The opinion has been shared with members of the Executive Management Board including the s151 officer.
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RESOURCE IMPLICATIONS

Capital/Revenue

4.	None
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Property/Other

5.	None
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LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

6.	The Accounts and Audit (England) Regulations 2015 state 'a relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards.
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Other Legal Implications:

7.	None
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RISK MANAGEMENT IMPLICATIONS

8.	Failure to maintain an effective internal audit functions would result in a failure of the organisation meeting its statutory responsibilities in relation to the Annual Governance Statement and Annual Audit Opinion.
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POLICY FRAMEWORK IMPLICATIONS

9.	None
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KEY DECISION?	No
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WARDS/COMMUNITIES AFFECTED:	None
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SUPPORTING DOCUMENTATION

Appendices	
1.	Annual Internal Audit Opinion for 2022-23

Documents In Members' Rooms

1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		No
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s): Results of work carried out to date.	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	