



Committee	Audit and Governance Committee
Date	08/07/2024
Subject	Internal Audit Annual Report 2023/24
Cabinet Member	Cabinet Member with responsibility for Resources and Value for Money, Councillor Vince Langdon-Morris Assistant Cabinet Member for Resources and Value for Money, Councillor Tim Wilson
Report Author and Head of Service	Siobhan Martin Head of Internal Audit siobhan.martin@eastsoffolk.gov.uk
Chief Executive	Chris Bally Chief Executive chris.bally@eastsoffolk.gov.uk

Key Decision?	No
Is the report Open or Exempt?	OPEN

Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable
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Purpose/Summary

To provide an independent and objective opinion on the overall adequacy and effectiveness of the Council's framework of internal control, risk management and governance observed during 2023/24.

Recommendation(s)

That the Audit and Governance Committee:

1. Reviews and endorses the Head of Internal Audit's annual opinion for 2023/24.
2. Notes the results from the self-assessment of conformance with Public Sector Internal Audit Standards.
3. Notes the current position of the Internal Audit Quality Assurance and Improvement Programme, including the action closed without resolution during 2023/24.

Strategic plan

How does this proposal support Our Direction 2028?

Environmental Impact	See Our Foundations
Sustainable Housing	See Our Foundations
Tackling Inequalities	See Our Foundations
Thriving Economy	See Our Foundations
Our Foundations / governance of the organisation	Internal Audit is responsible for providing independent and objective assurance on the Council's risk, governance, and control frameworks, which underpin all Council activity and support the achievement of all Council objectives.

Justification for recommendations

1. Background

- 1.1. The Accounts and Audit Regulations 2015 require the Council to provide an effective internal audit, taking into account public sector internal auditing standards or guidance.
- 1.2. In England, public authority Internal Audit standards are set out in CIPFA's Public Sector Internal Audit Standards (2017)
- 1.3. Standard 2450 requires that within the public sector:

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.
- 1.4. The annual internal audit opinion also allows the Audit and Governance to fulfil its obligations set out in its Terms of Reference:

To review the Annual Governance Statement prior to approval and consider whether it properly reflects the Corporate Risk Register, taking into account Internal Audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

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To consider the Head of Internal Audit's Annual Report:

 - *The statement of the level of conformance with the Public Sector Internal Audit Standards and Application Note and the results of the Quality Assurance and Improvement Programme that supports the statement.*
 - *The opinion of the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of work supporting the opinion – these will assist the Committee in reviewing the Annual Governance Statement.*

2. Introduction

- 2.1. In order to provide an annual internal audit opinion for the 2023/24, the Audit and Governance Committee approved the risk-based internal audit plan and approach in March 2023.
- 2.2. The risk-based internal audit plan was designed to take account of the Council's objectives and risks and prioritise the Internal Audit activity for the year to enable the Head of Internal Audit to report an annual internal audit opinion.
- 2.3. Detailed reports for each audit completed provide an assurance opinion for the area reviewed and highlight key issues. These detailed reports are provided to the Audit and

Governance Committee throughout the year and are used to support the annual internal audit opinion.

3. Proposal

3.1. The Audit and Governance Committee is asked to review and endorse the Annual Report of Internal Audit activity presented in Appendix A, comprising:

- The Head of Internal Audit's opinion that **Reasonable Assurance** can be given on the Council's framework of governance, risk management and control in 2023/24.
- Internal Audit's compliance with national Public Sector Internal Audit Standards
- Internal Audit's update on its Quality Assurance and Improvement Programme.

4. Financial Implications

4.1. There are no direct financial implications in this report.

4.2. The Internal Audit Annual Opinion provides assurance on the Council's financial governance arrangements where applicable, as set out in Appendix A.

5. Legal Implications

5.1. The provision of an Internal Audit Annual Opinion is a duty under the Accounts and Audit Regulations 2015, which requires an "effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".

5.2. The Internal Audit Annual Opinion provides assurance on the Council's arrangements for regulatory compliance where applicable, as set out in Appendix A.

6. Risk Implications

6.1. The Internal Audit Annual Opinion provides independent assurance on whether Council services within the scope of the annual audit plan are identifying and managing their risks effectively.

7. Options

7.1. This report is provided to enable the Audit and Governance Committee to fulfil their Terms of Reference. No other options are available to consider as part of this report.

8. Recommendations

8.1. That the Committee considers and endorses the Head of Internal Audit's Annual Opinion Report for 2023/24.

9. Reasons for Recommendations

9.1. To ensure the Committee fulfils its terms of reference, so that the Internal Audit process feeds into the Council's governance framework and enabling good governance over public funds.

10. Conclusions/Next Steps

10.1. The Audit and Governance Committee's terms of reference are to take this report into account when reviewing the Council's Annual Governance Statement for 2023/24.

Areas of consideration comments

Section 151 Officer comments:

Not applicable

Monitoring Officer comments:

Not applicable

Equality, Diversity and Inclusion/EQIA:

Not applicable

Safeguarding:

Not applicable

Crime and Disorder:

Not applicable

Corporate Services implications:

(i.e., Legal, Finance, Procurement, Human Resources, Digital, Customer Services, Asset Management)

Not applicable

Residents and Businesses consultation/consideration:

Not applicable

Appendices:

Appendix A	Internal Audit Annual Opinion Report 2023/24
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Background Papers

None