

REPORT TO: Audit and Governance Board

DATE: 26 June 2024

REPORTING OFFICER: Head of Audit, Procurement & Operational Finance

PORTFOLIO: Corporate Services

SUBJECT: Internal Audit Annual Report and Opinion – 2023/24

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to inform members of Internal Audit activity during 2023/24 and to provide the Head of Internal Audit's annual opinion on the Council's risk management, control and governance processes.

2.0 RECOMMENDATION:

That the Board receives and notes this report as a source of independent assurance regarding the risk management, control and governance processes operating across the Council during 2023/24.

3.0 EXECUTIVE SUMMARY

3.1 Internal audit is an assurance function that provides an independent and objective opinion on the adequacy and effectiveness of the Council's risk management, control and governance processes.

3.2 The Public Sector Internal Audit Standards (PSIAS) require the Head of Internal Audit to provide an annual report providing an opinion that can be used by the organisation to inform its Annual Governance Statement.

3.3 The Internal Audit Annual Report (attached as a separate document) summarises the internal audit work completed over the 2023/24 financial year. It also includes the overall assurance opinion on the Council's risk management, control and governance processes. The report also explains how Internal Audit complied with the PSIAS during the year.

4.0 POLICY IMPLICATIONS

4.1 There are no direct policy implications arising from this report. Under Regulation 6 of the Accounts & Audit Regulations 2015, the Council 'must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control'. This responsibility is delegated to the Operational Director – Finance.

4.2 The Head of Internal Audit's opinion on the Council's risk management, control and governance processes is one of the key sources of assurance that supports the Council's Annual Governance Statement.

5.0 **FINANCIAL IMPLICATIONS**

5.1 The internal audit work carried out during the year provides assurance that the Council's main financial systems are operating effectively.

5.2 There are however no direct financial implications arising from this report.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Children and Young People in Halton**

Internal Audit provides assurance over the Council's risk management, control and governance processes, which help to support the achievement of the aims and objectives set out in the Corporate Plan.

6.2 **Employment, Learning and Skills in Halton**

See 6.1

6.3 **A Healthy Halton**

See 6.1

6.4 **A Safer Halton**

See 6.1

6.5 **Halton's Urban Renewal**

See 6.1

7.0 **RISK ANALYSIS**

Internal Audit adopts a risk based approach to its work and provides assurance over the Council's key business risks. In the course of its work, internal audit raises issues which have risk implications for the Council. The regular internal audit progress reports to the Audit and Governance Board summarise these issues and provides details of the actions agreed with management to mitigate any risks identified.

There are however no direct risk implications arising from this report.

8.0 **EQUALITY AND DIVERSITY ISSUES**

None

9.0 **CLIMATE CHANGE IMPLICATIONS**

None

10.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None under the meaning of the Act