

**REPORT TO:** Audit and Governance Board

**DATE:** 4 June 2025

**REPORTING OFFICER:** Head of Audit and Operational Finance

**PORTFOLIO:** Corporate Services

**SUBJECT:** Internal Audit Annual Report and Opinion – 2024/25

**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 2024/25 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 on the effectiveness of the Council's risk management, control, and governance arrangements during 2024/25.**

**3.0 EXECUTIVE SUMMARY**

- 3.1 Internal Audit is an independent assurance function that provides an objective assessment of the adequacy and effectiveness of the Council's risk management, control, and governance arrangements.
- 3.2 In accordance with the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit is required to produce an annual report that includes an overall opinion to support the Council's Annual Governance Statement.
- 3.3 The Internal Audit Annual Report (provided as a separate document) summarises the audit work completed during the 2024/25 financial year. It also presents the overall assurance opinion on the Council's risk management, control, and governance processes and outlines how Internal Audit complied with the PSIAS throughout 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 Director of Finance.
- 4.2 The Head of Internal Audit's opinion on the Council's risk management, control and governance arrangements 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 Improving Health, Promoting Wellbeing and Supporting Greater Independence**

Internal audit supports the delivery of the Council's priorities by providing independent assurance that key systems and processes are effective, risks are well managed, and resources are used efficiently. It also helps to identify improvements, strengthen internal controls, and promote good governance.

### **6.2 Building a Strong, Sustainable Local Economy Employment**

See 6.1

### **6.3 Supporting Children, Young People and Families**

See 6.1

### **6.4 Tackling Inequality and Helping Those Who Are Most In Need**

See 6.1

### **6.5 Working Towards a Greener Future**

See 6.1

### **6.6 Valuing and Appreciating Halton and Our Community**

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