

Audit and Governance Committee

19 July 2023

Report of the Head of Internal Audit

Annual Report of the Head of Internal Audit and Annual Counter Fraud Report

Summary

- 1 This report includes the Annual Report of the Head of Internal Audit, which summarises internal audit work undertaken in 2022/23 and provides an opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and internal control. An annual report summarising counter fraud activity and performance is also included.

Background

- 2 The work of internal audit is governed by the Public Sector Internal Audit Standards (PSIAS) and the council's audit charter. These require the Head of Internal Audit to bring an annual report to the Audit and Governance Committee. The report must include an opinion on the adequacy and effectiveness of the council's framework of governance, risk management and control. The annual report is included at annex 1 to this report.
- 3 Internal audit services are provided to the council by Veritau, which also provides a counter fraud service. An annual report setting out counter fraud activity and performance is also included as part of this report and is included at annex 2.
- 4 Appendix B of Annex 1 includes a summary of findings from recently finalised internal audit work. The audit reports listed in appendix B are included as additional exempt annexes to this report.

Consultation

- 5 Not relevant for the purpose of the report.

Options

- 6 Not relevant for the purpose of the report.

Analysis

- 7 Not relevant for the purpose of the report.

Council Plan

- 8 The work of internal audit helps the council achieve its objectives by evaluating and promoting improvement in the effectiveness of risk management, control and governance processes.

Implications

- 9 There are no implications to this report in relation to:

- **Finance**
- **Human Resources (HR)**
- **Equalities**
- **Legal**
- **Crime and Disorder**
- **Information Technology (IT)**
- **Property**

Risk Management Assessment

- 10 The council will not comply with proper practice for internal audit if the results of audit work are not reported to senior management and the Audit and Governance Committee.

Recommendation

- 11 Members are asked to:
- (a) note the results of internal audit and counter fraud work undertaken.

Reason

To enable members to consider the implications of internal audit findings, and inform their assessment of the effectiveness of counter fraud arrangements.

- (b) note the opinion of the Head of Internal Audit on the adequacy and effectiveness of the council's framework of governance, risk management and internal control .

Reason

To enable members to consider the implications of internal audit findings.

- (c) note the outcome of the Quality Assurance and Improvement Programme and the confirmation that the internal audit service conforms with Public Sector Internal Audit Standards.

Reason

To enable members to consider the opinion of the Head of Internal Audit.

- (d) note that no significant control weaknesses have been identified by internal audit during the year which are relevant to the preparation of the Annual Governance Statement.

Reason

To enable the Annual Governance Statement to be prepared.

Contact Details

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**Report
Approved**



Date 7 July 2023

Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All



For further information please contact the author of the report

Background Papers

- None

Annexes

- Annex 1 – annual Head of Internal Audit report
- Annex 2 – annual counter fraud report
- Exempt annex 3 – Commercial procurement and compliance internal audit report
- Exempt annex 4 – Sundry debtors internal audit report
- Exempt annex 5a – Savings plans internal audit report
- Exempt annex 5b – Savings plans (annex 2 to audit report)
- Exempt annex 6 – Creditors internal audit report
- Exempt annex 7 – Main accounting system internal audit report