

<b>Report to:</b>	Audit and Governance Committee	<b>Date of Meeting:</b>	Wednesday 19 June 2024
<b>Subject:</b>	Annual Report and Opinion of the Chief Internal Auditor		
<b>Report of:</b>	Executive Director of Corporate Resources and Customer Services	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Corporate Services		
<b>Is this a Key Decision:</b>	No	<b>Included in Forward Plan:</b>	No
<b>Exempt / Confidential Report:</b>	No		

### Summary:

This report summarises the work of internal audit during 2023/24 and provides the Chief Internal Auditor's opinion on the overall control environment operating within the Council during the year.

This report is a key requirement of the Public Sector Internal Audit Standards. The report outlines that the opinion for the 2023/24 financial year is adequate with adequate prospects for improvement.

### Recommendation(s):

(1) Review and note the work of internal audit during 2023/24 and the overall opinion on the control environment of the Council during that period.

### Reasons for the Recommendation(s):

To provide the Committee with an overall view of the internal control environment in operation, so as to inform the Annual Governance Statement 2023/24

### Alternative Options Considered and Rejected: (including any Risk Implications)

None.

### What will it cost and how will it be financed?

**(A) Revenue Costs** - There are no direct revenue costs associated with the report

**(B) Capital Costs** - There are no direct capital costs associated with the report

**Implications of the Proposals:**

<b>Resource Implications (Financial, IT, Staffing and Assets):</b> There are no direct resource implications associated with the report.	
<b>Legal Implications:</b> There are no legal implications associated with the report.	
<b>Equality Implications:</b> There are no equality implications.	
<b>Impact on Children and Young People:</b> None directly. Where there are Children’s related risks within the Corporate Risk Register the Internal Audit Plan will include audits relating to this area and subsequently provide assurance on some or all of the controls used to mitigate the risk.	
<b>Climate Emergency Implications:</b>	
The recommendations within this report will	
Have a positive impact	Y
Have a neutral impact	N
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	Y
There are no direct Climate Emergency implication arising from the report. The Corporate Risk Register has previously included a Climate Change Emergency risk with actions to mitigate its impact and likelihood. As a result, the Internal Audit Plan for 2022/23 and 2023/24 included a review of the Climate Emergency. Any climate emergency implications arising from matters referred to in this report would have been contained in reports when they were presented to Members during the previous year; or will be contained in future reports during the forthcoming year as the focus of the report is providing a summary of actions that have been undertaken during 2023/24 on governance, risk and control.	

**Contribution to the Council’s Core Purpose:**

Protect the most vulnerable: Positive.
Facilitate confident and resilient communities: Positive.
Commission, broker and provide core services: Positive.
Place – leadership and influencer: Positive.
Drivers of change and reform: Positive
Facilitate sustainable economic prosperity: Positive.
Greater income for social investment: Positive.

Cleaner Greener: Positive.

## **What consultations have taken place on the proposals and when?**

### **(A) Internal Consultations**

The Executive Director of Corporate Resources and Customer Services (FD 7690/24) and the Chief Legal and Democratic Officer (LD 5790/24) have been consulted and any comments have been incorporated into the report.

### **(B) External Consultations**

None

## **Implementation Date for the Decision**

Immediately following the Committee meeting.

<b>Contact Officer:</b>	David Eden
Telephone Number:	0151 934 4053
Email Address:	david.eden@sefton.gov.uk

## **Appendices:**

The following appendices are attached to this report:

- Annual Report and Opinion of the Chief Internal Auditor

## **Background Papers:**

The following background papers can be accessed on the Council website:

- Internal Audit Plan 2023/2024 (as approved by this Committee on 15 March 2023) and amended plans approved in September 2023 and March 2024.

## 1. Introduction

- 1.1 During 2023/24, the Internal Audit Service delivered the Internal Audit Plan as approved by this Committee on 15 March 2023.
- 1.2 One of the key responsibilities of the Chief Internal Auditor is to provide an annual report that summarises the work undertaken during the preceding financial year, and to report an overall opinion on the robustness of the Council's control environment which has been derived from this work. This is necessary not only to meet the Public Sector Internal Audit Standards, but also to feed into the Annual Governance Statement, and to provide members and officers of the Council with a clear view of the value added by this work and how this can shape the control environment of the Council in the future.

## 2. Annual Opinion 2023/24

- 2.1 Based upon the work undertaken by Internal Audit in respect of 2023/24, the opinion of the Chief Internal Auditor on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control is:

Overall Opinion 2023/24	<b>ADEQUATE</b>
Potential for Improvement	<b>ADEQUATE</b>

- 2.2 There is a separate opinion for School's in accordance with guidance issued by Chartered Institute of Public Finance and Accountancy (CIPFA) which is:

Overall Schools Opinion 2023/24	<b>ADEQUATE</b>
Potential for Improvement	<b>ADEQUATE</b>

- 2.3 The attached report, Appendix A - Annual Report and Opinion of the Chief Internal Auditor details the work that has been undertaken to develop the opinion.