

REPORT TITLE: ANNUAL INTERNAL AUDIT REPORT & OPINION 2023-24

18 JULY 2024

REPORT OF CABINET MEMBER: COUNCILLOR NEIL CUTLER, CABINET MEMBER FOR FINANCE AND PERFORMANCE

Contact Officer: Antony Harvey Tel No: 07784 265289

Email [antony.harvey@hants.gov.uk](mailto:antony.harvey@hants.gov.uk)

WARD(S): ALL

PURPOSE

The purpose of this report is to provide the Audit and Governance Committee with the Chief Internal Auditor's opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2023-24.

RECOMMENDATIONS:

1. The Audit and Governance Committee note the Chief Internal Auditor's Annual Report and Opinion for 2023-24 attached as Appendix 1.

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

- 1.1 Internal audit plays a vital role in supporting the Council to accomplish plan outcomes by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.2 The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.
- 1.3 The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the Council Plan Outcomes:
- Tackling the Climate Emergency and Creating a Greener District;
  - Homes for all;
  - Vibrant Local Economy;
  - Living Well; and
  - Your Services, Your Voice.

### 2 FINANCIAL IMPLICATIONS

The Internal Audit Plan is comprised of 310 resource days and was delivered within the agreed budget.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

None directly from this report.

### 4 WORKFORCE IMPLICATIONS

None directly from this report.

### 5 PROPERTY AND ASSET IMPLICATIONS

None directly from this report.

### 6 CONSULTATION AND COMMUNICATION

The Executive Leadership Board have been consulted on the contents of the Annual Internal Audit Report and Opinion 2023-24.

### 7 ENVIRONMENTAL CONSIDERATIONS

None directly from this report.

## 8 PUBLIC SECTOR EQUALITY DUTY

None arising from the content of the report. However, officers consider the Council's responsibilities under the Equalities Act 2010 when making any changes and decisions based on the outcomes of internal audit recommendations; completing an Equality Impact Assessment when required.

## 9 DATA PROTECTION IMPACT ASSESSMENT

None required.

## 10 RISK MANAGEMENT

The Southern Internal Audit Partnership follow a risk-based audit approach in which risks and controls associated with the achievement of defined business objectives are identified and both the design and operation of the controls in place to mitigate key risks are assessed and tested, to ascertain the residual risk to the achievement of managements' objectives. Any audit work intended to provide an audit opinion is undertaken using this approach.

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
Financial Exposure	Internal Audit supports the Council to ensure proper financial management through its audit activities and assurance service.	Enhancement of the Council's reputation through the strengthening of the effectiveness of risk management, control and governance processes.
Exposure to challenge		
Innovation		
Reputation		
Achievement of outcome		

## 11 SUPPORTING INFORMATION:

11.1 In accordance with the Public Sector Internal Audit Standards, the Chief Internal Auditor is required to provide a written report reviewing the effectiveness of the system of internal control to inform the production of the Annual Governance Statement.

11.2 The Annual Report for 2023-24 (attached at Appendix 1) provides the Chief Internal Auditor's opinion on the system of internal control and summarises the audit work from which that opinion is derived.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

AG111 – Internal Audit Report and Opinion 2022-23.

Other Background Documents:-

AG101– Internal Audit Plan 2023-24

APPENDICES:

Appendix 1 – Annual Internal Audit Report and Opinion 2023-24