

REPORT TO AUDIT AND GOVERNANCE COMMITTEE

Date of Meeting: **24 JULY 2024**

Report of: **Head of Internal Audit, Assistant Director SWAP**

Title: **ANNUAL REPORT OF INTERNAL AUDIT FOR THE YEAR ENDED 31 MARCH 2024**

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

The annual Internal Audit Report conforming to the Public Sector Internal Audit Standards and timed to inform the Council's Annual Governance Statement, including the quarterly update on the progress of Internal Audit work.

2. Recommendations:

- 2.1 Members are recommended to note the contents of the Annual Internal Audit Report.

3. Reasons for the recommendation:

- 3.1 To comply with the Public Sector Internal Audit Standards and Corporate Governance best practice.

4. What are the resource implications including non financial resources

- 4.1 None

5. Section 151 Officer comments:

5.1 It is positive to note the opinion in respect of the Council's internal controls framework. The conclusion provides a sound basis for developing and improving this framework in the future.

6. What are the legal aspects?

6.1 The purpose of the internal audit function is to comply with the Public Sector Internal Audit Standards. This came into effect in April 2013. The latest update was issued in March 2017.

7. Monitoring Officer's comments:

7.1 Members will recall that, since 1st April 2024, Exeter City Council's internal audit function has been performed by South West Audit Partnership Limited.

7.2 Members will note that the Internal Audit Annual Opinion for 2023/24 states that 'There is generally a sound system of governance, risk management and control in place'. The report goes on to state that 'Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives'. These issues are set out in the report for Members' consideration.

8. Report details:

8.1 The Public Sector Internal Audit Standards (PSAIS), which came into effect in April 2013, require that:

- The Audit Manager must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement
- The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control

- The annual report must incorporate:
 - the opinion;
 - a summary of the work that supports the opinion; and
 - a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement Programme

8.2 The Annual Audit report is attached as Appendix A.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 Good governance contributes to the Council's purpose of a "Well Run Council".

10. What risks are there and how can they be reduced?

N/A

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority

from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4.1 The report is for information only

12. Carbon Footprint (Environmental) Implications:

No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

N/A

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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