



AUDIT AND RISK MANAGEMENT COMMITTEE

TUESDAY 27 JUNE 2023

REPORT TITLE:	CHIEF INTERNAL AUDITORS ANNUAL REPORT AND OPINION 2022-23
REPORT OF:	CHIEF INTERNAL AUDITOR

REPORT SUMMARY

The Internal Audit Service plans and completes audits to review relevant areas of risk to the Council, evaluating the effectiveness of systems of control in operation.

Reports, including recommendations produced following audits are presented to managers. A summary report is produced annually by the Chief Internal Auditor and an overall opinion provided as to the effectiveness of the Council's control environment.

This report presents the Chief Internal Auditors Annual Report for 2022-23.

This matter affects all Wards within the Borough. It is not a key decision.

RECOMMENDATION

Members of the Audit and Risk Management Committee are recommended to note the report.

SUPPORTING INFORMATION

1. REASON FOR RECOMMENDATION

- 1.1 To provide the Members with assurance that the Council is taking appropriate measures to comply with statutory requirements to provide an adequate and effective internal audit service.
- 1.2 To ensure that risks to the Council are managed effectively.
- 1.3 To ensure that the Council complies with best practice guidance identified in the CIPFA publication 'Audit Committees: A Practical Guidance for Local Authorities and Police 2022'.

2. OTHER OPTIONS CONSIDERED

- 2.1 No other options considered appropriate for the preparation and delivery of this report.

3. BACKGROUND INFORMATION

- 3.1 The Accounts and Audit Regulations require that a local authority "shall maintain an adequate and effective system of internal audit".
- 3.2 In order to meet the statutory requirements the Internal Audit Service has conducted audits to review the operation of the internal control systems. The work has been conducted in accordance with Public Sector Internal Auditing Standards set by the Audit Practices Board, Chartered Institute of Public Finance Accountants and the Chartered Institute of Internal Auditors and adds significant value to the organisation through the evaluation of systems of control in operation and the provision of assurances.

CHIEF INTERNAL AUDITORS ANNUAL REPORT 2022-23

- 3.3 The attached Chief Internal Auditors Annual Report specifies the Internal Audit assurance opinion on key areas of the Council's activity for 2022-23.
- 3.4 The Internal Audit programme of planned work was compiled on an ongoing risk assessment basis that included consideration of the sensitivity and complexity of all risks presented in year. Client requests, systems being developed, and the availability of resources were also other factors considered during the year.
- 3.5 Internal Audit work, both planned and completed has been continuously reported to this Committee in real time throughout the year to ensure that Members were constantly kept informed regarding audit activity and resulting actions to improve and develop arrangements. This has ensured that the Committee has been provided with ongoing assurances regarding the effectiveness of controls in operation across the Council in response to risks presented during the year.

4. FINANCIAL IMPLICATIONS

4.1 There are none arising directly from this report.

5. LEGAL IMPLICATIONS

5.1 There are none arising directly from this report.

6. RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are none arising directly from this report.

7. RELEVANT RISKS

7.1 Appropriate actions are not taken by officers and Members in response to the identification of risks to the achievement of the Council's objectives. This is mitigated by a robust system of follow up and escalation of audit matters.

7.2 Potential failure of the Audit and Risk Management Committee to comply with best professional practice and thereby not function in an efficient and effective manner. This is mitigated by comprehensive governance and reporting systems developed and implemented in compliance with relevant professional standards.

8. ENGAGEMENT/CONSULTATION

8.1 Members of this Committee are consulted throughout the process of delivering the Chief Internal Auditors Annual Report.

9. EQUALITY IMPLICATIONS

9.1 The content and/or recommendations contained within this report have no direct implications for equality. However, the delivery of an effective internal audit service will assist in ensuring that the Council, its finances, and service provision are effectively managed and governed aiding the advancement of equality.

10. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

10.1 The content and/or recommendations contained within this report are expected to have no impact on emissions of greenhouse gasses.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 The content and/or recommendations contained within this report have no direct implications for community wealth. However, the delivery of an effective internal audit service will assist in ensuring that the Council, its finances, and service provision are effectively managed and governed aiding the advancement of economic, social, and environmental justice for all residents.

REPORT AUTHOR: **Mark P Niblock**
Chief Internal Auditor
telephone: 0151 666 3432
email: markniblock@wirral.gov.uk

APPENDICES

Chief Internal Auditors Annual Report 2022-23

BACKGROUND PAPERS

CIPFA Publication: Audit Committees a Practical Guidance for Local Authorities 2022
Public Sector Internal Audit Standards

TERMS OF REFERENCE

This report is being considered by the Audit and Risk Management Committee in accordance with Section B of its Terms of Reference.

(b) Internal Audit and Internal Control

(iii) Consider the Head of Internal Audit's annual report and a summary of internal audit activity which include an opinion on the adequacy and effectiveness of the Council's internal controls including risk management, any corporately significant issues arising, and receive assurance that action has been taken as necessary.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit and Risk Management Committee	Annual Report