



AUDIT AND RISK MANAGEMENT COMMITTEE

WEDNESDAY 31 JULY 2024

REPORT TITLE:	CHIEF INTERNAL AUDITORS ANNUAL REPORT AND OPINION 2023-24
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 2023-24

The activity detailed within the report supports the following priority or delivery theme from Wirral Council's Plan 2023-27:

- Working together to create a more efficient, effective and accessible council.

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

RECOMMENDATION

The Audit and Risk Management Committee is recommended to note and endorse the Chief Internal Auditors Annual Report for 2023-24.

SUPPORTING INFORMATION

1.0 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'.

2.0 OTHER OPTIONS CONSIDERED

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

3.0 BACKGROUND INFORMATION

- 3.1 The Accounts and Audit Regulations require the Council to "maintain an adequate and effective system of internal audit".
- 3.2 In order to meet the statutory requirements the Council's 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, the Chartered Institute of Public Finance Accountants and the Chartered Institute of Internal Auditors. These audits add significant value to the Council through the evaluation of systems of control in operation and the provision of assurances.
- 3.3 The Chief Internal Auditor's Annual Report (attached as Appendix 1) specifies the Internal Audit assurance opinion on key areas of the Council's activity for 2023-24.
- 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 taken into account during the year.
- 3.5 Internal Audit work, both planned and completed has been continuously reported to this Committee 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.
- 3.6 This report captures audit work undertaken during the first quarter of 2024-25 and includes opinions, actions being taken by senior management and escalated items for noting. Therefore, it has not been deemed appropriate to provide the regular

Internal Audit Update report for this period, avoiding any potential duplication in reporting.

4.0 FINANCIAL IMPLICATIONS

4.1 There are none arising directly from this report.

5.0 LEGAL IMPLICATIONS

5.1 There are none arising directly from this report.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are none arising directly from this report.

7.0 RELEVANT RISKS

7.1 There is a risk that 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 There is a risk of 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.

8.0 ENGAGEMENT/CONSULTATION

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

9.0 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.

10.0 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
email: markniblock@wirral.gov.uk

APPENDICES

Appendix 1 - Chief Internal Auditors Annual Report 2023-24

The PDF file may not be suitable to view for people with disabilities, users of assistive technology or mobile phone devices. Please contact markniblock@wirral.gov.uk if you would like this document in an accessible format.

BACKGROUND PAPERS

CIPFA Publication: Audit Committees a Practical Guidance for Local Authorities
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 – June 2021/2022/ 2023