

Report of:	Head of Internal Audit, Veritau
Submitted to:	Corporate Affairs and Audit Committee, 20 July 2023
Subject:	Annual Report of the Head of Internal Audit and Annual Counter Fraud Report

Summary

Proposed decision(s)
<p>That the Committee:</p> <ul style="list-style-type: none"> • notes the results of internal audit work and counter fraud work undertaken • notes the opinion of the Head of Internal Audit on the adequacy and effectiveness of the Council’s framework of governance, risk management and internal control • notes the significant control issues identified by internal audit which are considered relevant to the preparation of the Council’s Annual Governance Statement • notes the outcome of the Quality Assurance and Improvement Programme and the confirmation that the internal audit service conforms with the Public Sector Internal Audit Standards

Report for:	Key decision:	Confidential:
Information	No	No

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
Receiving details of internal audit and counter fraud work completed will help the Committee perform its role. Internal audit and counter fraud work contributes towards achieving the Council’s priorities by identifying potential issues which may obstruct that achievement.	Internal Audit assists management in delivering their priorities by working to an annual programme of work that includes assignments linked to corporate risks and priorities, and which seeks to add value by assessing the quality of controls, ensure value for money and achieve better outcomes for local people.	Delivering balanced budgets, maintaining front line services, and addressing budget shortfalls are priorities for the Council. Ensuring appropriate controls are in place and preventing fraud from occurring and recovering loss helps the Council achieve these aims.

Ward(s) affected
None.

What is the purpose of this report?

1. To provide Members with a summary of internal audit work undertaken in 2022/23 and to provide an opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control. To provide a summary of counter fraud activity during the year.

Why does this report require a Member decision?

2. The work of internal audit is governed by the Public Sector Internal Audit Standards (PSIAS) and the Council's audit charter. These require the Head of Internal Audit to bring an annual report to the Corporate Affairs and Audit Committee. The report must include an opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control.

Report Background

3. The annual internal audit report is attached at appendix 1. It includes a summary of the work completed during the year, findings from recently issued audit reports, and the annual internal audit opinion.
4. The report also includes details of Veritau's Quality Assurance and Improvement Programme (QAIP). This outlines Veritau's ongoing quality assurance arrangements and activities, and provides evidence to demonstrate that internal audit work has been carried out to the expected professional standards.
5. Veritau also provides a counter fraud service to the Council. An annual report setting out counter fraud activity and performance is attached at appendix 2.

What decision(s) are being asked for?

6. That the committee:
 - notes the results of internal audit work and counter fraud work undertaken during the year
 - notes the opinion of the Head of Internal Audit on the adequacy and effectiveness of the Council's framework of governance, risk management and internal control
 - notes the significant control issues identified by internal audit which are considered relevant to the preparation of the Council's Annual Governance Statement
 - notes the outcome of the Quality Assurance and Improvement Programme and the confirmation that the internal audit service conforms with the Public Sector Internal Audit Standards

Why is this being recommended?

7. Internal audit professional standards and the Council's audit charter require that internal audit prepare an annual report, including an opinion on the Council's framework of governance, risk management and control.

Other potential decisions and why these have not been recommended

8. This report is for information. There are no other options available.

Impact(s) of recommended decision(s)

9. There are no implications to this report in relation to:

- *Legal*
- *Financial*
- *Policy Framework*
- *Equality and Diversity*
- *Risk*

10. The Council will fail to comply with proper practice for internal audit if Members are not regularly updated on the progress of, and the outcomes from internal audit work.

Actions to be taken to implement the decision(s)

11. n/a

Appendices

Appendix 1 – Head of Internal Audit annual report

Appendix 2 – Counter Fraud annual report

Background papers

No background papers were used in the preparation of this report

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