

**Report for:**           **Audit Committee – 20 July 2023**

**Item number:**       **9**

**Title:**               **Annual Internal Audit Report 2022/23**

**Report  
authorised by :**   **Chief Financial Officer**

**Lead Officer:**       **Minesh Jani**, Head of Audit and Risk Management  
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**Ward(s) affected:** **N/A**

**Report for Key/  
Non Key Decision: Information**

**1. Describe the issue under consideration**

- 1.1 To inform Members of the overall adequacy and effectiveness of the system of internal control and risk management operating throughout 2022/23 and present a summary of the audit work undertaken to formulate the opinion, including reliance placed on work by other bodies.
- 1.2 This report also fulfils the relevant statutory requirements of the 2017 UK Public Sector Internal audit Standards (PSIAS); the 2017 Local Government Transparency Code; and the Audit Committee’s terms of reference.

**2. Cabinet Member Introduction**

- 2.1 Not applicable.

**3. Recommendations**

- 3.1 That the Audit Committee notes the content of the Head of Audit and Risk Management’s annual audit report and assurance statement for 2022/23.

**4. Reasons for decision**

- 4.1 The Audit Committee is responsible reviewing the Annual Internal Audit Report as part of the required statutory processes.
- 4.2 In order to facilitate this, reports are provided on a quarterly basis to the Audit Committee on the work undertaken by the Internal Audit Service in completing the 2022/23 annual audit plan, together with reports on the responsive and proactive fraud investigation work undertaken during the year.
- 4.3 The report also supports the production of the Council’s statutory Annual Governance Statement.

**5. Alternative options considered**

- 5.1 Not applicable.

**6. Background information**

- 6.1 The purpose of the Annual Internal Audit report is to provide assurances based on the annual activity of internal audit for the financial year 2022/23.
- 6.2 In addition, the mandatory PSIAS state:
- The chief audit executive 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 PSIAS and the results of the quality assurance and improvement programme.
- 6.3 The 2015 Local Government Transparency Code requires the Council to publish information annually in respect of its counter-fraud activities and the resources used to undertake this.
- 6.4 The information in this report has been compiled from information held within Audit & Risk Management and from records held by Mazars Public Sector Internal Audit Ltd (Mazars), the contracted provider of internal audit services to the Council and relates to the work carried in the financial year 2022/23.

## **7. Contribution to strategic outcomes**

- 7.1 The internal audit and counter-fraud teams make a significant contribution to ensuring the adequacy and effectiveness of internal control throughout the Council, which covers all Corporate Plan Priority areas.

## **8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### **8.1 Finance and Procurement**

The Head of Corporate Financial Strategy and Monitoring has been consulted in the preparation of this report. There are no direct financial implications arising from this report. The work completed by Mazars is part of the framework contract which was awarded to the London Borough of Croydon and extended to 31 March 2024, in accordance with EU regulations. The costs of this contract are contained and managed within the Audit and Risk Management revenue budget.

### **8.2 Legal**

The Head of Legal has been consulted in the preparation of this report, and in noting that the level of audit coverage complies with the mandatory PSIAS industry required standards, the opinion expressed by the Head of Audit & Risk Management and that measures have been put in place to deal with instances where assurance levels are an issue, has no comments.

### **8.3 Equality**

The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

As contracted providers of Haringey Council, the internal audit contractor is required to demonstrate a strong commitment to equality and fairness in their actions and work practices, and adherence to the Equality Act 2010. Ensuring that the Council has effective internal audit and assurance arrangements in place will also assist the Council to use its available resources more effectively.

**9. Use of Appendices**

Appendix A – Annual Internal Audit Report 2022/23

Appendix B – Internal Audit Outcomes 2022/23 – Mazars

Appendix C – Schools Audit Outcomes 2022/23 - Mazars

Appendix D – Anti Fraud Outcomes 2022/23

Appendix E – Quality Assurance and Improvement Plan

**10. Local Government (Access to Information) Act 1985**

Not applicable