

Report for: Audit Committee 18th July 2024

Item number: 11

Title: Annual Internal Audit Report 2023/24

Report authorised by: Taryn Eves – Director of Finance

Lead Officer: Minesh Jani – Head of Audit & Risk Management
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Ward(s) affected: N/a

**Report for Key/
Non-Key Decision:** N/a

1. Describe the issue under consideration

To inform Members of the overall adequacy and effectiveness of the system of internal control and risk management operating throughout 2023/24 and present a summary of the audit work undertaken to formulate the opinion, including reliance placed on work by other bodies.

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

Not Applicable.

3. Recommendations

That the Audit Committee notes the content of the Head of Audit and Risk Management’s annual audit report and assurance statement for 2023/24 and the accompanying appendices.

4. Reasons for decision

The Audit Committee is responsible reviewing the Annual Internal Audit Report as part of the required statutory processes.

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 2023/24 annual audit plan, together with reports on the responsive and pro-active fraud investigation work undertaken during the year.

The report also supports the production of the Council's statutory Annual Governance Statement.

5. Alternative options considered

Not Applicable.

6. Background information

The purpose of the Annual Internal Audit report is to provide assurances based on the annual activity of internal audit for the financial year 2023/24.

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.

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.

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 2023/24.

7. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes'?

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. Carbon and Climate Change

There are no direct Carbon implications arising from this report.

9. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

Finance

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 2026, in accordance with EU regulations. The costs of this contract are contained and managed within the Audit and Risk Management revenue budget.

Procurement

There are no direct contract and/or procurement implications arising from this report.

Assistant Director of Legal & Governance - Benita Edwards Head of Legal Services

The Head of Legal Services 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.

Equality

There are no direct equality implications for the Council's existing policies, priorities and strategies as a result of this report. However, ensuring that the Council has effective governance arrangements in place and taking appropriate action to improve these where required will assist the Council to use its available resources more effectively.

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.

10. Use of Appendices

Appendix A – Annual Internal Audit Report 2023/24 including Head of Audit Opinion

Appendix B – Internal Audit Outcomes 2023/24 – Mazars

Appendix C – Schools Audit Outcomes 2023/24 - Mazars

Appendix D – Anti Fraud Outcomes 2023/24

Appendix E – Quality Assurance and Improvement Plan

Appendix F – Significant issues arising in Quarter 4 of 2023/24

11. Background papers

Not applicable